

Forms & Instructions

# California 540NR

## 2002 Nonresident or Part-Year Resident Booklet

**Members of the  
Franchise Tax Board**

Kathleen Connell, Chair  
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## Internet Assistance

We've made significant changes to our website in an effort to help answer questions when completing your income tax return. Come visit us at [www.ftb.ca.gov](http://www.ftb.ca.gov) to get helpful information such as:

- Getting a Customer Service Number and other tips for e-filing your tax return
- Checking the status of your refund and account balance inquiry (**NEW**)
- Learn about new and more convenient methods for paying your taxes
- Download tax forms, publications – sorted by year and by form number
- Access legal notices, rulings, regulations; see FTB's analysis of pending legislation; and get current law/policy information by reading Tax News Online
- Find out if you can TeleFile
- View internal procedure manuals to learn how we administer the law (**NEW**)

## \$\$\$ for You

**Earned Income Credit (EIC)** – If you earned less than \$34,178 (less than \$11,050 if you do not have any qualifying children), you may be eligible to get the EIC to reduce the federal tax you owe, or get a refund if you do not owe any federal tax. Call the IRS at (800) 829-4477 and enter topic 601 when instructed, or see your federal income tax booklet. There is no comparable state credit.

**Refund of Excess State Disability Insurance (SDI)** – You may be eligible for a refund of excess SDI if you had at least two employers during 2002 who together paid you more than \$46,327 in wages. See the instructions on page 23.

**Homeowner and Renter Assistance (HRA)** – This California program reimburses qualifying homeowners and renters for a portion of the property tax they paid in the prior year. See page 57.

## We Welcome Your Comments

We at the Franchise Tax Board want to make doing business with us as easy and convenient as possible for you. Over the past several years, we have begun to offer you new ways to get information and help, file your return, and pay your taxes. These include fast and convenient electronic options, such as Telefile, e-filing, e-pay, and payment by credit card. Through our Internet Website, you can get forms and information, check the status of your refund, and take care of other business with us. I encourage you to visit our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) to find out more about the information and services available to you.

We will continue to look for ways to serve you better. In addition, we think it is important to spend tax dollars wisely by cutting our costs while improving results. We also appreciate the trust that you place in us to keep your tax information safe and private, and pledge to continue to safeguard the information that you send to us both on paper and electronically.

Your comments and suggestions provide valuable input. We want you to tell us what you think we are doing well, as well as what we can do to improve our products and services to better suit your needs. You can help us by sending me your comments and suggestions. Please write me at:

Email: Go to [www.ftb.ca.gov](http://www.ftb.ca.gov) and select  
"Send email to the Executive Officer"

Mail: GERALD GOLDBERG, EXECUTIVE OFFICER  
FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO, CA 94240-0040

# What's New for 2002?

## Differences Between California and Federal Law

In general, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2001. Therefore, California has conformed to the income tax changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206), the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277), the Surface Transportation Revenue Act of 1998 (Public Law 105-178), the Ricky Ray Hemophilia Relief Fund Act of 1998 (Public Law 105-369), the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170), the Miscellaneous Trade and Technical Corrections Act of 1999 (Public Law 106-36), the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 (Public Law 106-519), the Consolidated Appropriations Act of 2001 (Public Law 106-554), and to technical corrections made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16). However, there are continuing differences between California and Federal law. California has not conformed to some of the law changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) or the federal Job Creation and Worker Assistance Act of 2002 (Public Law 107-147).

## 2002 Tax Law Changes

For taxable years beginning on or after January 1, 2002, California law was changed to clarify the method used to calculate loss carryovers, deferred deductions, and deferred income for nonresident and part-year resident taxpayers. This new law changes the tax computation to recognize those items, and establishes a new method to determine percentages for computing tax for all nonresidents and part-year residents. Beginning this year, the nonresident tax forms (Long and Short Form 540NR) have been revised to more clearly show that nonresidents pay tax to California only on their California taxable income. For further information, get FTB Pub.1100, Taxation of Nonresidents and Individuals Who Change Residency.

**Teacher Retention Credit** – The Teacher Retention Credit is suspended for tax year 2002. In addition, there are no carryover provisions for this credit.

**Natural Heritage Preservation Tax Credit** – is suspended for the fiscal year July 1, 2002 through June 30, 2003.

**Child and Dependent Care Expenses Refundable Credit/Treatment of never married persons** – Parents who are not married are treated the same as divorced or separated parents for purposes of the California Child and Dependent Care Expenses Credit.

**Net Operating Loss (NOL)** – For taxable years beginning on or after January 1, 2002, the NOL carryover computation for the California taxable income of a nonresident or part-year resident is no longer limited by the amount of net operating loss from all sources.

For taxable years beginning in 2002 and 2003, the NOL carryover deduction is suspended. Taxpayers may continue to compute and carryover an NOL during the suspension period. The deduction for disaster losses is not affected by the NOL suspension rules.

The carryover period for suspended losses is extended by two years for losses incurred before January 1, 2002, and by one year for losses incurred after January 1, 2002, and before January 1, 2003.

After the suspension period, the net operating loss will be allowed at 100%.

For more information see form FTB 3805V.

**Withholding on Real Property Sales** – Effective January 1, 2003, the 3 $\frac{1}{3}$ % withholding requirement for transfers of California real property is expanded to include sales made by California residents. Exemptions from the withholding requirements will be allowed for transactions

involving like-kind exchanges and involuntary conversions. For individuals, waivers from the withholding requirement are limited to transactions where there has been a loss on the sale of property.

**Penalty Waiver** – A waiver of penalties is provided for the underpayment of tax with respect to any law enacted during the 2002 calendar year. To request a waiver of underpayment of estimated tax penalty, get form FTB 5805, Underpayment of Estimated Tax by Individuals.

**Additional First-Year Depreciation** – California has not conformed to the Federal Job Creation and Worker Assistance Act of 2002 provision that allows taxpayers to take an additional first-year depreciation deduction and AMT depreciation adjustment for property placed in service after September 10, 2001.

## New California Income Exclusions

### Exclusions for Domestic Partners:

Effective January 1, 2002, several taxpayer benefits are extended to apply to a taxpayer's "domestic partner" and the domestic partner's dependent(s) for medical expenses and health insurance benefits that occur on or after January 1, 2002. These benefits include:

- The exclusion from gross income for employer-provided accident and health insurance,
- An exclusion from gross income for medical expense reimbursement if the expense was not previously deducted,
- Medical expenses deductible as an itemized deduction,
- Long-term health care insurance deductible as a medical expense, and
- A deduction by self-employed individuals for health insurance costs paid for themselves, their spouses, and dependents. The deduction may **not** exceed the net earnings from the trade or business in which the insurance plan is established.

The deductions are taken as an adjustment on the Schedule CA (540) or Schedule CA (540NR).

**Holocaust Restitution Payments** – An exclusion is provided for holocaust reparations received by eligible individuals, their heirs, or estate for holocaust restitution payments, distributions or excludable trust.

**Energy Rebates** – An exclusion is allowed for vouchers, rebates or other financial incentives received from the California Energy Commission, the Public Utilities Commission, or a local publicly owned utility for the purchase or installation of specified energy production systems.

**Military Service Benefits** – Extensions of time are provided to members of the National Guard ordered into active service by the Governor of California or active federal service by the President of the United States for emergency purposes and to reservists called to active duty. The extensions apply to, among other things, court proceedings, contract obligations, rental agreements, taxes or assessments, and health or medical insurance.

In addition, California allows an exemption from taxes to any California taxpayer who dies on active duty with any branch of the armed forces of the United States.

*(continued on page 28)*

# Do I Have to File?

## Requirements for Most People

Read down the first column to find your filing status at the end of 2002. Read across to find your age at the end of 2002, and number of dependents you are entitled to claim for 2002. You must file a return if **either** your gross income or your adjusted gross income from all sources was more than the amount shown for your filing status, age, and number of dependents.



Even if you do not have a filing requirement based on the chart below, you should file a return in order to get a refund if California state income tax was withheld from your pay, or if you made California estimated tax payments. Try e-file! It's fast, easy and convenient and there are several free options. Go to [www.ftb.ca.gov](http://www.ftb.ca.gov) for the details.

On 12/31/02, my filing status was:	and on 12/31/02, my age was <sup>6</sup> :	Gross Income <sup>1</sup>			Adjusted Gross Income <sup>2</sup>		
		Dependents			Dependents		
		0	1	2 or more	0	1	2 or more
Single or Head of household <sup>3</sup>	Under 65	12,080	20,447	26,722	9,664	18,031	24,306
	65 or older	16,080	22,355	27,375	13,664	19,939	24,959
Married filing jointly or Married filing separately <sup>4</sup>	Under 65 (both spouses)	24,160	32,527	38,802	19,328	27,695	33,970
	65 or older (one spouse)	28,160	34,435	39,455	23,328	29,603	34,623
	65 or older (both spouses)	32,160	38,435	43,455	27,328	33,603	38,623
Qualifying widow(er)	Under 65		20,447	26,722		18,031	24,306
	65 or older		22,355	27,375		19,939	24,959
Dependent of another person Any filing status	Any age	More than your standard deduction <sup>5</sup>					

<sup>1</sup> **Gross income is computed under California law** and consists of all income you received in the form of money, goods, property, and services from all sources that is not exempt from tax. Gross income computed under California law does not include any adjustments or deductions.

<sup>2</sup> **Adjusted gross income is computed under California law** and consists of your federal adjusted gross income from all sources reduced or increased by all California income adjustments.

<sup>3</sup> Get FTB Pub. 1540, Tax Information for Head of Household Filing Status. See "Order Forms and Publications" on page 60.

<sup>4</sup> The income of both spouses must be combined; both spouses may be required to file a return even if only one spouse had income over the amounts listed.

<sup>5</sup> Use the California Standard Deduction Worksheet for Dependents on page 18 to figure your standard deduction.

<sup>6</sup> If your 65th birthday is on January 1, 2003, you are considered to be age 65 on December 31, 2002.

## Requirements for Children With Investment Income

California law is the same as federal law for the income of children under age 14. For each child under age 14 who received more than \$1,500 of investment income in 2002, get and complete Long Form 540NR and form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the tax on a separate return.

**Note:** If you qualify, you may elect to report your child's income of \$7,500 or less (but not less than \$750) on your return by completing form FTB 3803, Parents' Election to Report Child's Interest and Dividends. To make this election, your child's income must be **only** from interest and/or dividends. See "Order Forms and Publications" on page 60.

## Other Situations When You Must File

If you owe any of the following taxes for 2002, you must file a California tax return.

- Tax on a lump-sum distribution;
- Tax on a qualified retirement plan, including an individual retirement arrangement (IRA) or on an Archer medical savings account (MSA);
- Tax for children under age 14 who have investment income greater than \$1,500 (see paragraph above);
- Alternative minimum tax;
- Recapture taxes;
- Deferred tax on certain installment obligations; or
- Tax on an accumulation distribution from a trust.

# Helpful Hints

(e-file and skip this page! Go to [www.ftb.ca.gov](http://www.ftb.ca.gov))



## Filling in your return.

- Use only black or blue ballpoint pen on the copy you send us.
- Enter your social security number(s) at the top of your Long or Short Form 540NR, Side 1, Step 1a.
- Print all names and words in CAPITAL LETTERS.
- Print numbers inside boxes. Be sure to line up dollar amounts.
- Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.
- If you do not have an entry for a line, leave it blank unless the instructions for a line specifically tell you to enter zero. Do not enter a dash.
- Attach your label. If you don't have a label, fill in your name as in the following example:

Your first name	Initial	Last name
J O H N	A	D O E

Is your name or address too long to fit in the boxes provided? Do not shorten your name or address. Instead, ignore the boxes and fit the information in the space provided. **Example:** Jonathan A. Ziggzephyrstone would enter his name as follows:

Your first name	Initial	Last name
JONATHAN	A	ZIGGZEPHYRSTONE



## Verify Step 1, Step 1a, Step 2, and Step 3.

**Step 1:** Use your first name, middle initial and last name and complete address including ZIP Code.

If you lease a private mailbox (PMB) from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

**Step 1a:** Make sure that you entered your social security number and that it agrees with your social security card. If you file a joint return, make sure that you enter the social security numbers in the same order that your names are shown.

**Step 2:** Make sure that you meet all the requirements for your filing status. See page 17 for more information. If you believe that you qualify for the head of household filing status, get FTB Pub. 1540, Tax Information for Head of Household Filing Status.

**Step 3:** Take your exemption credits to reduce your tax. See the instructions for Long Form 540NR, line 25b and Short Form 540NR, line 26.



## Check other areas.

**Federal Adjusted Gross Income:** Double-check that you correctly transferred your federal adjusted gross income from your federal TeleFile Tax Record, line I; Form 1040EZ, line 4; Form 1040A, line 21; Form 1040, line 35; Form 1040NR, line 34; or Form 1040NR-EZ, line 10.

**California Standard Deduction:** Make sure that you entered the California standard deduction amount and not the federal amount.

**Itemized Deductions:** Be sure that you reduced your federal itemized deductions by the amount of state and local income taxes you claimed on your federal Schedule A. Use Schedule CA (540NR), Part III, on page 40.

**Double-check your math:** Make sure each subtraction, addition, and any other calculation is correct.



## Attachments to your return.

**Forms(s) W-2, W-2G, and 1099:** Make sure to staple all the Form(s) W-2 and W-2G you received to the front of your return where it says "attach copy of your Form(s) W-2 and W-2G". Also, attach any Form(s) 1099 showing California income tax withheld such as "backup withholding" on dividends and interest income.

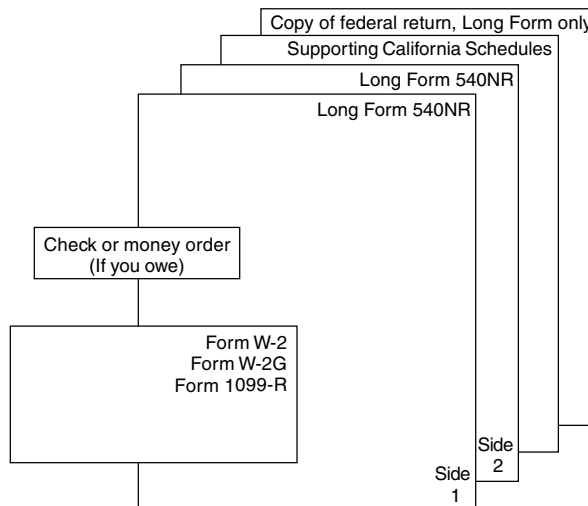
**Federal Return.** If you file the Long Form 540NR, you must attach a copy of your federal income tax return and all supporting federal forms and schedules.

**Check or money order:** Make your check or money order payable to the Franchise Tax Board. Do not send cash. Also, write your social security number and "2002 Long or Short Form 540NR" on the check or money order. Attach the check or money order to the front of your return where it says "Attach check or money order here." A penalty may be imposed if your check is returned by your bank for insufficient funds.



## Assembling your return.

**Assemble your return in the order shown below.** See Side 2 of your return for the correct mailing address.



## Sign and date your return on Side 2.

## Tax Time Tips

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### ✓ Tip Important due dates.

April 15, 2003	Last day to pay the 2002 amount you owe to avoid penalties and interest.* See form FTB 3519 on page 49 for more information. <small>*If you are living or traveling outside the United States on April 15, 2003, the due dates for filing your return and paying your tax are different. See form FTB 3519 on page 49 for more information.</small>
October 15, 2003	Last day to file your 2002 return to avoid penalties and interest computed from the original due date of April 15, 2003.
April 15, 2003 June 16, 2003 September 15, 2003 January 15, 2004	Due dates for 2003 estimated tax payments. Generally, you do not have to make estimated tax payments if your California withholding in each payment period is at least 1/4 of your required annual payment. Also, you do not have to make estimated tax payments if you will pay enough through withholding to keep the amount you owe with your return under \$200 (\$100 if married filing separately). However, if you do not pay enough tax either through withholding or by making estimated tax payments, you may have an underpayment penalty. For more information call (800) 338-0505, select personal income tax, then select general information, and enter code <b>208</b> .

### ✓ Tip Keep a copy of your return.

The Franchise Tax Board (FTB) may request information from you regarding your California income tax return within the California statute of limitations period, which is usually the later of four years from the due date of the return or four years from the date the return is filed. (**Exception:** An extended statute of limitations period may apply for California or federal tax returns that are related to or subject to a federal audit.)

Keep a copy of your return and the records that verify the income, deductions, adjustments, or credits reported on your return. Some records should be kept longer. For example, keep property records as long as they are needed to figure the basis of the property.

### ✓ Tip If you file electronically.

If you file your return electronically, make sure all the amounts entered on the paper copy of your California return are correct before you sign form FTB 8453, California Individual Income Tax Declaration for e-file. If you are requesting direct deposit of a refund, make sure that your account and routing information is correct. Your return can be transmitted to FTB by your preparer or electronic filing service only after you sign form FTB 8453. The preparer or electronic filing service must provide you with:

- A copy of form FTB 8453;
- Any original Form(s) W-2, W-2G, 1099-G, and any other Form(s) 1099 that you provided; and
- A paper copy of your California tax return showing the data transmitted to the FTB.

### ✓ Tip Mailing your return.

If you have a **refund** or **no amount due**:  
FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0002

If you **owe**:  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001



# ***Just click and go. . .***

**For the quickest and easiest way to  
file your return. . .**

## **e-file!**

### ***Free...***

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### ***Fast...***

Get your refund in 7 days or less

### ***Easy...***

No math

## **Learn more!**

Check out our website for free offers and other  
important information about filing your taxes.

**[www.ftb.ca.gov](http://www.ftb.ca.gov)**

- California: [www.ftb.ca.gov](http://www.ftb.ca.gov)
- Federal: [www.irs.gov](http://www.irs.gov)

## **✓ Check out our other great Internet services:**

- Check your refund status
- Make a payment
- Look up your account balance
- Find payments you've made
- Request installment payments
- Request a Real Estate Withholding Waiver

# Nonrefundable Renter's Credit Qualification Record

**e-file and skip this page!** The software you use to e-file will help you find out if you qualify for this credit and will figure the correct amount of the credit automatically. Go to **www.ftb.ca.gov**. If you were a resident of California for at least six months in 2002 and paid rent on property in California which was your principal residence, you may qualify for a credit that you can use to reduce your tax. Answer the questions below to see if you qualify.

**1. Were you a resident<sup>1</sup> of California for at least 6 full months in 2002?**

**YES** Go to the next question.  
**NO** Stop here. You do not qualify for this credit.

**2. Is your California adjusted gross income on your Long or Short Form 540NR, line 17:**

- \$28,429 or less if single or married filing separately; or
- \$56,858 or less if married filing jointly, head of household, or qualifying widow(er)?

**YES** Go to question 3.  
**NO** Stop here. You do not qualify for this credit.

**3. Did you pay rent, for at least half of 2002, on property (including a mobile home that you owned on rented land) in California which was your principal residence?**

**YES** Go to question 4.  
**NO** Stop here. You do not qualify for this credit.

**4. Can you be claimed as a dependent by a parent, foster parent, or legal guardian in 2002?**

**NO** Go to question 6.  
**YES** Go to question 5.

**5. For more than half the year in 2002, did you live in the home of the person who can claim you as a dependent?**

**NO** Go to question 6.  
**YES** Stop here. You do not qualify for this credit.

**6. Was the property you rented exempt<sup>2</sup> from property tax in 2002?**

**NO** Go to question 7.  
**YES** Stop here. You do not qualify for this credit.

**7. Did you or your spouse claim the homeowner's property tax exemption<sup>3</sup> anytime during 2002?**

**NO** Skip question 8 and answer question 9.  
**YES** Go to question 8.

**8. Did you and your spouse maintain separate residences for the entire year in 2002?**

**YES** The spouse that answered "Yes" to question 7 may not claim this credit. If the other spouse alone could have answered "No" to question 7, that person qualifies for the credit and should complete question 9.  
**NO** Stop here. You do not qualify for this credit.

**9. Use the following chart to find the amount of your credit based on the number of full months you were a resident of and rented property in California in 2002. Enter the amount on the line below and follow the instructions below the chart.**

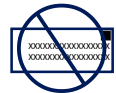
**Note:** If you answered "Yes" to question 8, use the amounts for single or married filing separately.

Number of months	6	7	8	9	10	11	12
Single or married filing separately <sup>4</sup>	\$30	\$35	\$40	\$45	\$50	\$55	\$60
Married filing jointly, head of household, or qualifying widow(er)	\$60	\$70	\$80	\$90	\$100	\$110	File Form 540

\$ \_\_\_\_\_

**If this credit is the only special credit you are claiming**, enter the amount on your Long or Short Form 540NR, line 40. **If you are a Long Form 540NR filer and are claiming other special credits in addition to this credit**, go to "Step 6" of the instructions for Long Form 540NR.

**Do Not Mail This Record**



Fill in the street address(es) and landlord information below for the residence(s) you rented in California during 2002 which qualified you for this credit.

Street Address	City, State, and ZIP Code	Dates Rented in 2002 (From _____ to _____)
----------------	---------------------------	--

**a** \_\_\_\_\_

**b** \_\_\_\_\_

Enter the name, address, and telephone number of your landlord(s) or the person(s) to whom you paid rent for the residence(s) listed above.

Name	Street Address	City, State, ZIP Code, and Telephone Number
------	----------------	---

**a** \_\_\_\_\_

**b** \_\_\_\_\_

<sup>1</sup> Military personnel. If you are not a legal resident of California, you do not qualify for this credit. Your spouse may claim up to a maximum of \$60 if he or she was a resident, did not live in military housing during 2002, and is otherwise qualified.

<sup>2</sup> Property exempt from property taxes. You do not qualify for this credit if, for more than half of the year, you rented property that was exempt from property taxes. Exempt property includes most government-owned buildings, church-owned parsonages, college dormitories, and military barracks. However, if you or your landlord paid possessory interest taxes for the property you rented, then you may claim this credit.

<sup>3</sup> Homeowner's property tax exemption. You do not qualify for this credit if you or your spouse received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse for the entire year and your spouse received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified.

<sup>4</sup> Married filing separate returns. If you and your spouse file separate returns, lived in the same rental property, and both qualify for this credit, one spouse may claim the full amount of this credit (\$120), or each spouse may claim half of the amount (\$60 each).



# How Nonresidents and Part-Year Residents Are Taxed

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## General Information

If you were a nonresident of California and received income in 2002 that had its source in California or if you moved into or out of California in 2002, you must file either the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. California taxes all income you received while you were a resident of California and the income you received from California sources while a nonresident. See page 10 “Which Form Should I Use?” to determine which form to use (Long or Short Form 540NR).

If you file the Long Form 540NR, use Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents, column A through column D to compute your total adjusted gross income as if you were a resident of California for the entire year. Use column E to compute all items of total adjusted gross income you received while a resident of California and those you received from California sources while a nonresident. You determine your California tax by multiplying your California taxable income by an effective tax rate. The effective tax rate is the tax on total taxable income, taken from the tax tables or tax rate schedules, divided by total taxable income. You may also qualify for California tax credits, which may reduce the amount of California tax you owe.

If you were a resident of California for all of 2002, you should get a California Resident Personal Income Tax Booklet and file Form 540, California Resident Income Tax Return, Form 540A, California Resident Income Tax Return; or Form 540 2EZ, California Resident Income Tax Return.

If you file the Short Form 540NR, use line 13, line 14, and line 17 to compute your total adjusted gross income as if you were a resident of California for the entire year. Use line 21 to compute all items of total adjusted gross income you received while a resident of California and those you received from California sources while a nonresident.

For more information on the taxation of nonresidents and part-year residents, get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency. See “Order Forms and Publications” on page 60.

## Pension Income of Retirees Who Move to Another State

Qualified retirement income received by nonresidents on or after January 1, 1996, is not taxable by California. If California state income tax was withheld from your payments, file Long Form 540NR for a refund. Get FTB Pub. 1005, Pension and Annuity Guidelines, to see if your retirement income qualifies. See “Order Forms and Publications” on page 60.

## Temporary and Transitory Absences from California

If you were domiciled in California and worked outside of California for an uninterrupted period of at least 546 consecutive days under an employment contract, you are considered a nonresident. This provision also applies to the spouse who accompanies the employed individual during those 546 consecutive days. However, you will not qualify under this provision if you are present in California for a total of more than 45 days during any taxable year covered by the contract; or if you have income from stocks, bonds, notes, or other intangible property in excess of \$200,000 for any taxable year covered by the contract. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status. See “Order Forms and Publications” on page 60.

## Group Nonresident Return

Nonresident partners, nonresident members, and nonresident shareholders of a partnership, limited liability company (LLC), or S corporation that does business in California or has income from California sources may elect to file a group nonresident return on the Long Form 540NR. For more information get FTB Pub. 1067, Guidelines for Filing a Group Form 540NR. This publication includes form FTB 1067A, Nonresident Group Return Schedule, which must be attached to the front of the group Long Form 540NR.

# Which Form Should I Use?

	Short Form 540NR	Long Form 540NR
<b>Filing Status</b>	Single, married filing jointly, head of household, qualifying widow(er)	Any filing status
<b>Dependents</b>	0-5 allowed	All dependents you are entitled to claim
<b>Amount of Income</b>	Total income of: \$100,000 or less	Any amount of income
<b>Sources of Income</b>	Only income from: <ul style="list-style-type: none"> <li>• Wages, salaries, tips</li> <li>• Taxable interest of \$400 or less</li> <li>• Unemployment compensation</li> </ul> <b>Note:</b> California <b>does not</b> tax unemployment compensation	All sources of income
<b>California Adjustments to Income</b>	<ul style="list-style-type: none"> <li>• Unemployment compensation</li> <li>• Military pay adjustment (R&amp;TC Section 17140.5)</li> </ul>	All adjustments to income
<b>Standard Deduction</b>	Allowed	Allowed
<b>Itemized Deductions</b>	No itemized deductions	All itemized deductions
<b>Payments</b>	Only withholding on form(s) W-2, and 1099's showing California tax withheld	<ul style="list-style-type: none"> <li>• Withholding from all sources</li> <li>• Estimated tax payments</li> <li>• Payments made with extension vouchers;</li> <li>• Excess state disability insurance (SDI) or voluntary plan disability insurance (VPDI)</li> </ul>
<b>Tax Credits</b>	<ul style="list-style-type: none"> <li>• Personal exemption credits up to 5 dependent exemption credits</li> <li>• Nonrefundable renter's credit</li> </ul>	All tax credits
<b>Other Taxes</b>	Taxes computed using only the tax tables	All taxes: <ul style="list-style-type: none"> <li>• Tax computed using the tax table or tax rate schedules</li> <li>• Alternative minimum tax</li> <li>• Tax on early distributions from IRAs or other qualified retirement plans</li> <li>• Tax on distributions from MSAs and education IRAs</li> <li>• Tax for children under age 14 who have investment income of more than \$1,500</li> <li>• Tax on lump-sum distributions</li> <li>• Recapture taxes</li> <li>• Deferred tax on certain installment obligations</li> <li>• Tax on accumulation distributions of trusts</li> </ul>

# Instructions for Short Form 540NR California Nonresident or Part-Year Resident Income Tax Return

These instructions are based on the Internal Revenue Code (IRC) as of **January 1, 2001**, and the California Revenue and Taxation Code (R&TC).

## Step 1 – Name and Address

If there is a label on the front of your booklet, attach the label to your completed return. Make sure that the information on your label is correct. Cross out any errors and print the correct information. **If there is no label** on the front of your booklet, print your first name, middle initial and last name and address in the spaces provided at the top of Short Form 540NR. See page 5, Helpful Hints, "Filling in your return."

If you lease a private mailbox (PMB) from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

## Step 1a – Social Security Number(s)

Enter your social security number(s) in the spaces provided. To protect your privacy, your social security number(s) are not printed on your label. If you file a joint return, enter the social security numbers in the same order as the names.

**Note:** If you do not have a social security number because you are a nonresident or a resident alien for federal tax purposes, and the IRS issued you an Individual Taxpayer Identification Number (ITIN), enter the ITIN in the spaces provided for the social security number.

## Step 2 – Filing Status

### Line 1 through line 5 - Filing Status

See page 17, Step 2, Long Form 540NR instructions for the requirements for each of the filing statuses. Then fill in the circle on the Short Form 540NR that applies to you. **Note: If your filing status is married filing separately, you cannot file this form;** use the Long Form 540NR.

## Step 2a – Residency

Please complete the residency portion by checking all boxes that apply to you and providing the applicable information.

Domicile is the place where you voluntarily establish yourself and your family, not merely for a special or limited purpose, but with a present intention of making it your true, fixed, permanent home and principal establishment. It is the place where, whenever you are absent or away, you intend to return. Get FTB Pub. 1031 for more information.

## Step 3 – Exemptions

**Caution:** If you or your spouse are 65 or older use the Long Form 540NR.

### Line 6 – Can you be claimed as a dependent?

Completely fill in the circle on line 6 if your parent (or someone else) can claim you as a dependent on his or her tax return, even if he or she chooses not to.

### Line 7 – Personal Exemptions

Did you fill in the circle on line 6?

**No** Follow the instructions on Short Form 540NR, line 7.

**Yes** Ignore the instructions on Short Form 540NR, line 7. Instead, enter the number shown below for your filing status:

- Single, enter -0-;
- Head of household, enter -0-;
- Married filing jointly and both you and your spouse can be claimed as dependents, enter -0-; or
- Married filing jointly and only one spouse can be claimed as a dependent, enter 1.

### Line 8 – Blind Exemptions

The first year you claim this exemption credit, you must attach a doctor's statement to the back of Short Form 540NR indicating that you or your spouse are visually impaired. You are visually impaired if you cannot see better than 20/200 while wearing glasses or contact lenses, or if your field of vision is not more than 20 degrees.

**Caution:** An individual who is someone else's dependent may not claim this credit.

### Line 10 – Dependent Exemptions

To claim an exemption credit for each of your dependents, write each dependent's name and relationship to you in the space provided. The persons you list as dependents must be the same persons you listed as dependents on your federal income tax return. Count the number of dependents listed and enter the total in the box on line 10. Multiply the number you entered by the pre-printed dollar amount and enter the result. **Note:** If you are claiming more than five dependents, use Long Form 540NR.

### Line 11 – Total Exemptions

Enter the total dollar amount of all exemptions, personal, blind and dependents.

## Step 4 – Taxable Income

Refer to your completed federal income tax return to complete "Step 4."

### Line 12 – Total California Wages

Enter the total amount of your California wages from your Form(s) W-2. This amount is reported in box 16 of Form W-2.

### Line 14 – California Adjustments To Income

California does not tax unemployment compensation. Enter the amount of any unemployment compensation shown on your federal TeleFile Tax Record, line D; Form 1040EZ, line 3; Form 1040A, line 13; Form 1040, line 19; or Form 1040NR, line 20. If you have interest income from U S Obligations, U.S. Treasury Bills, Notes, Bonds, or other sources that is taxable for federal purposes and exempt for state purposes, you cannot file this form. File the Long Form 540NR.

### Military Pay Adjustment

If you are serving on active duty military and domiciled in **Arizona, Idaho, Louisiana, Nevada, Texas, New Mexico, Washington, Wisconsin, or Puerto Rico** (community property states), **AND** your spouse is a **California** resident, you are entitled to an adjustment of  $\frac{1}{2}$  of your military pay. Write 17140.5 MPA on the dotted line to the left of line 14 if you are qualified to make this adjustment. Add this amount to any unemployment compensation and enter on line 14. You will also exclude this amount from California adjusted gross income on line 21.

### Line 18 – California Standard Deduction

Find the standard deduction for your filing status in the left margin on Short Form 540NR. Did you fill in the circle on line 6? If yes, use the standard deduction worksheet on page 18. If no, use the standard deduction amount for your filing status in the left margin.

## Step 5 – California Taxable Income

### Line 20 – Tax on total Taxable Income

Figure the tax on the amount on line 19. Be sure to use the correct filing status and taxable income amount.

**Line 21 – California Adjusted Gross Income (If married filing jointly, each spouse reports income based on his or her residency status)**

**Full-year nonresident** – Enter your California wages from Form W-2, box 16.

**Part-year resident** – Enter your:

- California wages from Form W-2, box 16;
- Non-California wages received while you were a California resident from Form W-2, box 16; and
- Interest income received while you were a California resident

**Full-year resident** – Enter your:

- California and non-California wages from all your Forms W-2, box 16, and
- All of your interest income

**Line 22a – CA Standard Deduction Percentage**

Divide the California Adjusted Gross Income (line 21) by the total Adjusted Gross Income (line 17). **If more than 1, enter 1.0000.**

**Line 22b – CA Prorated Standard Deduction**

Multiply the standard deduction (line 18) by the CA Standard Deduction Percentage (line 22a).

**Line 22c – CA Taxable Income**

Subtract CA Prorated Standard Deduction (line 22b) from CA Adjusted Gross Income (line 21).

**Line 23 – CA Tax Rate**

Divide the tax on total taxable income (line 20) by taxable income (line 19).

**Line 24 – CA Tax Before Exemption Credits**

Multiply CA Taxable Income (line 22c) by the CA Tax Rate (line 23).

**Line 25 – CA Exemption Credit Percentage**

Divide the California Taxable Income (line 22c) by Total Taxable Income (line 19). This percentage does not apply to the Nonrefundable Renter's Credit, Other State Tax Credit, or credits that are conditional upon a transaction occurring wholly within California. **If more than 1, enter 1.0000.**

**Line 26 – CA Prorated Exemption Credits**

Multiply line 11 by line 25.

**Line 27 – CA Regular Tax Before Credits**

Subtract CA Prorated Exemption Credits (line 26) from CA Tax Before Exemption Credits (line 24).

---

**Step 6 – Credits****Line 40 – Nonrefundable Renter's Credit**

If you paid rent on your principal California residence in 2002, you may be eligible for a credit to reduce your tax. See page 8 to find out if you qualify.

You may be eligible for the California refundable child and dependent care expenses credit. If you qualify for the credit, you must file Long Form 540NR. See page 23, line 51 through line 54 for more information.

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**Step 8 – Payments****Line 47 – Income Tax Withheld**

Enter your total California income tax withheld from your Form(s) W-2, box 17.

---

**Step 9 – Overpaid Tax Or Tax Due****Line 58 – Overpaid Tax**

If line 47 is larger than line 46, subtract line 46 from line 47.

**Line 59 – Tax Due**

If line 47 is less than line 46, subtract line 47 from line 46.

---

**Step 10 – Contributions**

You may make contributions to the funds listed on Short Form 540NR, Side 2, Step 10. See page 24 for a description of the funds.

**Line 73 – Total Contributions**

Add line 61 through line 70. Enter the result on line 73. If you did not make any contributions, do not enter an amount on line 73. If you show an amount on line 58, you must subtract the amount you contribute from the amount of overpaid tax. If you show an amount on line 59, you must add the amount you contribute to your tax due.

**Note:** If you have tax due and choose to make a voluntary contribution, it will increase the amount that you owe.

---

**Step 11 – Refund or Amount You Owe****Line 74 – Refund or No Amount Due**

If you did not enter an amount on line 73, enter the amount from line 58. If the amount is less than \$1, attach a written request to your Short Form 540NR to receive the refund.

If you entered an amount on line 73, subtract that amount from the amount on line 58. If the result is zero or more, enter the amount on line 74. If the result is less than zero, your contributions are more than your overpaid tax available on line 58. In this case, do not enter an amount on line 74. Enter the result on line 75 and see the instructions for line 75.

**Line 75 – Amount You Owe**

If you entered an amount on line 73, add line 59 and line 73. Otherwise, enter the amount from line 59. This is the amount you owe with your Short Form 540NR. Make your check or money order for this amount, or see "Paying Your Taxes" on page 59.

To avoid a late filing penalty, file your Short Form 540NR by the due date even if you cannot pay the amount you owe.

---

**Step 13 – Direct Deposit (Refund Only)****Direct Deposit of Refund**

Direct Deposit is fast, safe, and convenient. To have your refund directly deposited into your bank account, fill in the account information on Short Form 540NR, Side 2, Step 13. Please be sure to fill in all the appropriate boxes. **Do not** attach a voided check or deposit slip. See the illustration on page 26.

---

**Sign Your Return**

You must sign your return in the space provided on Side 2. If you file a joint return, your spouse must sign it also.

**Note:** If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. If one spouse does not pay the tax, the other spouse may have to. See Innocent Spouse Relief on page 57.

If you pay a person to prepare your return, that person must sign on Side 2 and include their social security number, (or PTIN) or FEIN. A paid preparer must give you two copies of your return: one to file with the Franchise Tax Board and one to keep for your records. For information about **Power of Attorney**, visit our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov)

# California Nonresident or Part-Year Resident Income Tax Return 2002

Short Form

FORM  
540NR

## Step 1

Place label here or print

Name and Address

Your first name	Initial	Last name		
If joint return, spouse's first name	Initial	Last name		
Present home address — number and street, PO Box or rural route			Apt. no.	PMB no.
City, town, or post office			State	ZIP Code

## Step 1a

SSN

Your social security number	Spouse's social security number
<input type="text"/>	<input type="text"/>

**IMPORTANT:**  
Your social security number is required.

## Step 2

Filing Status

Fill in only one.

- 1 ☐ Single  
2 ☐ Married filing jointly (even if only one spouse had income)  
4 ☐ Head of household (with qualifying person). STOP. See instructions.  
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died \_\_\_\_\_.

## Step 2a

Residency

- ☐ State of residence  
Yourself \_\_\_\_\_ Spouse \_\_\_\_\_  
☐ Dates of California residency  
Yourself from \_\_\_\_\_ to \_\_\_\_\_  
Spouse from \_\_\_\_\_ to \_\_\_\_\_  
☐ Active duty military — State of domicile  
Yourself \_\_\_\_\_ Spouse \_\_\_\_\_

## Step 3

### Exemptions

Attach check or money order here.

- 6 If your parent (or someone else) can claim you (or your spouse, if married) as a dependent on his or her tax return, even if he or she chooses not to, fill in this circle ..... 6 ☐

► For line 7, line 8, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line.

- 7 **Personal:** If you filled in 1 or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2 in the box. If you filled in the circle on line 6, see page 11 ..... 7 ☐ X \$80 = \$ \_\_\_\_\_

- 8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 ..... 8 ☐ X \$80 = \$ \_\_\_\_\_

- 10 **Dependents:** Enter name and relationship. Do not include yourself or your spouse.

### Dependent Exemptions

\_\_\_\_\_ Total dependent exemptions ..... 10 ☐ X \$251 = \$ \_\_\_\_\_

- 11 Add line 7 through line 10. This is your total exemption amount ..... 11 **Total** \$ \_\_\_\_\_

## Step 4

### Total Taxable Income

### Standard Deduction

Single, \$3,004

Married filing jointly, Head of household, or Qualifying widow(er), \$6,008

- 12 Total California wages from all your Form(s) W-2, box 16 ..... 12 \_\_\_\_\_

- 13 Enter federal adjusted gross income from Form 1040, line 35; Form 1040A, line 21; Form 1040EZ, line 4; TeleFile Tax Record, line 1; Form 1040NR, line 34; or Form 1040NR-EZ, line 10 ..... 13 \_\_\_\_\_

- 14 Unemployment compensation and military pay adjustment. See page 11 ..... 14 \_\_\_\_\_

- 17 Adjusted gross income from all sources. Subtract line 14 from line 13 ..... 17 \_\_\_\_\_

- 18 **Standard deduction** for your filing status (see the left margin). If you filled in the circle on line 6, see page 11 ..... 18 \_\_\_\_\_

- 19 Subtract line 18 from line 17. This is your **total taxable income**. If less than zero, enter -0- ..... 19 \_\_\_\_\_

## Step 5

### California Taxable Income

Attach a copy of your Form(s) W-2 and 1099(s) showing California tax withheld.

- 20 Tax on the amount shown on line 19 ..... 20 ☒ \_\_\_\_\_

- 21 CA adjusted gross income. Add wages from line 12 and California taxable interest (Form 1099, box 1, see instructions) ..... 21 \_\_\_\_\_

- 22a CA Standard Deduction Percentage. Divide line 21 by line 17. If more than 1, enter 1.0000 ..... 22a \_\_\_\_\_

- 22b CA Prorated Standard Deduction. Multiply line 18 by line 22a ..... 22b \_\_\_\_\_

- 22c CA Taxable Income. Subtract line 22b from line 21. If less than zero, enter 0 ..... 22c \_\_\_\_\_

- 23 CA Tax Rate. Divide line 20 by line 19 ..... 23 \_\_\_\_\_

- 24 CA Tax Before Exemption Credits. Multiply line 22c by line 23 ..... 24 \_\_\_\_\_

- 25 CA Exemption Credit Percentage. Divide line 22c by line 19. If more than 1, enter 1.0000 ..... 25 \_\_\_\_\_

- 26 CA Prorated Exemption Credits. If the amount on line 13 is more than \$132,793, see instructions. Otherwise, multiply line 11 by line 25 ..... 26 \_\_\_\_\_

- 27 CA Regular Tax Before Credits. Subtract line 26 from line 24 ..... 27 \_\_\_\_\_

Your name: \_\_\_\_\_ Your SSN: \_\_\_\_\_

## Step 6

### Nonrefundable Renter's Credit/ Total Tax

28 Amount from Side 1, line 27 ..... 28 \_\_\_\_\_

40 Nonrefundable renter's credit. See page 12 ..... ● 40 \_\_\_\_\_

46 Total tax. Subtract line 40 from line 28 ..... ● 46 \_\_\_\_\_

## Step 8

### Payments

47 California income tax withheld (Form(s) W-2, box 17) ..... ■ 47 \_\_\_\_\_

## Step 9

### Overpaid Tax or Tax Due

58 Overpaid tax. If line 47 is larger than line 46, subtract line 46 from line 47 ..... ■ 58 \_\_\_\_\_

59 Tax due. If line 47 is less than line 46, subtract line 47 from line 46 ..... 59 \_\_\_\_\_

## Step 10

### Contributions

Alzheimer's Disease/Related Disorders Fund ..... ● 61	00	CA Breast Cancer Research Fund ..... ● 65	00
CA Fund for Senior Citizens ..... ● 62	00	CA Firefighters' Memorial Fund ..... ● 66	00
Rare and Endangered Species Preservation Program ..... ● 63	00	Emergency Food Assistance Program Fund ..... ● 67	00
State Children's Trust Fund for the Prevention of Child Abuse ..... ● 64	00	CA Peace Officer Memorial Foundation Fund ..... ● 68	00
		Lupus Foundation of America, California Chapters Fund ..... ● 69	00
		Asthma and Lung Disease Research Fund ..... ● 70	00

73 Add line 61 through line 70. These are your total contributions ..... ● 73 \_\_\_\_\_

## Step 11

### Refund or Amount You Owe

74 **REFUND OR NO AMOUNT DUE.** Subtract line 73 from line 58. Mail to:  
**FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002** .... ■ 74

75 **AMOUNT YOU OWE.** Add line 59 and line 73. See page 12. Mail to:  
**FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001** .... ■ 75

79 If you **do not** need California income tax forms mailed to you next year,  
fill in the circle ..... ● 79 ○

## Step 13

### Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip. See instructions.

Fill in the boxes to have your refund directly deposited. Routing number ..... ●

Account Type:

Checking ● ☐ Savings ● ☐ Account number ..... ●

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. 3

## Sign Here

It is unlawful to  
forge a spouse's  
signature.

Joint return?  
See instructions.

Your signature

X

Spouse's signature (if filing jointly, both must sign)

X

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge)

Daytime phone number (optional)

( ) +

Date + + + +

Paid Preparer's SSN/PTIN

●

Firm's address

FEIN

●



# California Nonresident or Part-Year Resident Income Tax Return 2002

Short Form

FORM  
**540NR**

## Step 1

Place label here or print

Name and Address

Your first name	Initial	Last name		
If joint return, spouse's first name	Initial	Last name		
Present home address — number and street, PO Box or rural route			Apt. no.	PMB no.
City, town, or post office			State	ZIP Code

## Step 1a

SSN

Your social security number	Spouse's social security number
<input type="text"/>	<input type="text"/>

**IMPORTANT:**  
Your social security number is required.

## Step 2

Filing Status

Fill in only one.

- 1 ☐ Single  
2 ☐ Married filing jointly (even if only one spouse had income)  
4 ☐ Head of household (with qualifying person). STOP. See instructions.  
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died \_\_\_\_\_.

## Step 2a

Residency

- ☐ State of residence  
Yourself \_\_\_\_\_ Spouse \_\_\_\_\_  
☐ Dates of California residency  
Yourself from \_\_\_\_\_ to \_\_\_\_\_  
Spouse from \_\_\_\_\_ to \_\_\_\_\_  
☐ Active duty military — State of domicile  
Yourself \_\_\_\_\_ Spouse \_\_\_\_\_

## Step 3

### Exemptions

Attach check or money order here.

- 6 If your parent (or someone else) can claim you (or your spouse, if married) as a dependent on his or her tax return, even if he or she chooses not to, fill in this circle ..... ● 6 ☐

► For line 7, line 8, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line.

- 7 **Personal:** If you filled in 1 or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2 in the box. If you filled in the circle on line 6, see page 11 ..... 7 ☐ X \$80 = \$ \_\_\_\_\_

- 8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 ..... 8 ☐ X \$80 = \$ \_\_\_\_\_

- 10 **Dependents:** Enter name and relationship. Do not include yourself or your spouse.

### Dependent Exemptions

\_\_\_\_\_ Total dependent exemptions ..... ● 10 ☐ X \$251 = \$ \_\_\_\_\_

- 11 Add line 7 through line 10. This is your total exemption amount ..... 11 **Total** \$ \_\_\_\_\_

## Step 4

### Total Taxable Income

### Standard Deduction

Single, \$3,004

Married filing jointly, Head of household, or Qualifying widow(er), \$6,008

- 12 Total California wages from all your Form(s) W-2, box 16 ..... ● 12 \_\_\_\_\_  
13 Enter federal adjusted gross income from Form 1040, line 35; Form 1040A, line 21; Form 1040EZ, line 4; TeleFile Tax Record, line 1; Form 1040NR, line 34; or Form 1040NR-EZ, line 10 ..... 13 \_\_\_\_\_  
14 Unemployment compensation and military pay adjustment. See page 11 ..... ● 14 \_\_\_\_\_  
17 Adjusted gross income from all sources. Subtract line 14 from line 13 ..... ● 17 \_\_\_\_\_  
18 **Standard deduction** for your filing status (see the left margin). If you filled in the circle on line 6, see page 11 ..... ● 18 \_\_\_\_\_  
19 Subtract line 18 from line 17. This is your **total taxable income**. If less than zero, enter -0- ..... 19 \_\_\_\_\_

## Step 5

### California Taxable Income

Attach a copy of your Form(s) W-2 and 1099(s) showing California tax withheld.

- 20 Tax on the amount shown on line 19 ..... ● 20 \_\_\_\_\_  
21 CA adjusted gross income. Add wages from line 12 and California taxable interest (Form 1099, box 1, see instructions) ..... ● 21 \_\_\_\_\_  
22a CA Standard Deduction Percentage. Divide line 21 by line 17. If more than 1, enter 1.0000 ..... 22a \_\_\_\_\_  
22b CA Prorated Standard Deduction. Multiply line 18 by line 22a ..... 22b \_\_\_\_\_  
22c CA Taxable Income. Subtract line 22b from line 21. If less than zero, enter 0 ..... ● 22c \_\_\_\_\_  
23 CA Tax Rate. Divide line 20 by line 19 ..... 23 \_\_\_\_\_  
24 CA Tax Before Exemption Credits. Multiply line 22c by line 23 ..... 24 \_\_\_\_\_  
25 CA Exemption Credit Percentage. Divide line 22c by line 19. If more than 1, enter 1.0000 ..... 25 \_\_\_\_\_  
26 CA Prorated Exemption Credits. If the amount on line 13 is more than \$132,793, see instructions. Otherwise, multiply line 11 by line 25 ..... 26 \_\_\_\_\_  
27 CA Regular Tax Before Credits. Subtract line 26 from line 24 ..... ● 27 \_\_\_\_\_



# Instructions for Long Form 540NR California Nonresident or Part-Year Resident Income Tax Return


These instructions are based on the Internal Revenue Code (IRC) as of **January 1, 2001**, and the California Revenue and Taxation Code (R&TC).

## Before You Begin

You must complete your federal income tax return (Form 1040, Form 1040A, Form 1040EZ, federal TeleFile Tax Record, Form 1040NR, or Form 1040NR-EZ) before you begin your Long Form 540NR. You will use information from your federal income tax return to complete your Long Form 540NR. Be sure to complete and mail Long Form 540NR by April 15, 2003. If you cannot mail your return by the due date, see page 49 for information.

To get forms and publications referred to in these instructions go to our Website at: [www.ftb.ca.gov](http://www.ftb.ca.gov) or see "Order Forms and Publications" on page 60.

**Important:** You must attach a copy of your federal income tax return, and all supporting federal forms, and schedules, to Long Form 540NR.

 **Tip** e-file! No math, fast refund, accurate return and more! See page 7 for details.

You may qualify for the federal earned income credit. See page 2 for more information. There is no comparable state credit.

## Step 1 – Name and Address

If there is a label on the front of your booklet, attach the label to your completed return. Make sure that the information on your label is correct. Cross out any errors and print the correct information.

**If there is no label**, print your first name, middle initial and last name and address in the spaces provided at the top of Long Form 540NR. See "Filling in your return" on page 5.

If you lease a private mailbox (PMB) from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

### Principal Business Activity Code

For Schedule C business filers, please enter the numeric Principal Business Activities Code from federal Schedule C, line B.

## Step 1a – Social Security Number(s)

Enter your social security number(s) in the spaces provided. To protect your privacy, your social security number(s) are not printed on your label. If you file a joint return, enter the social security numbers in the same order as the names.

**Note:** If you do not have a social security number because you are a nonresident or resident alien for federal tax purposes, and the IRS issued you an IRS Individual Taxpayer Identification Number (ITIN), enter the ITIN in the spaces provided for the social security number.

## Step 2 – Filing Status

Fill in only one of the circles for line 1 through line 5. Be sure to enter the required information if you filled in the circle for line 3 or line 5.

Your filing status for California must be the same as the filing status you used on your federal income tax return. If you did not file a federal return because you did not have a federal filing requirement, use the filing status you would have used had you been required to file.



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**Exception for married taxpayers who file a joint federal income tax return** – You may file separate California returns if either spouse was:

- An active member of the United States Armed Forces or any auxiliary military branch during 2002; or
- A nonresident for the entire year and had no income from California sources during 2002.

If you filed federal Form 1040NR or Form 1040NR-EZ, you do not qualify to use the head of household or married filing jointly filing statuses. Instead, use single, married filing separately, or qualifying widow(er) filing status, whichever applies to you.

**If You Are Married and File a Separate Return:** Enter your spouse's full name on line 3 and social security number in the space provided in "Step 1a."

**Note:** Community property rules may apply to the division of income if you are married and file a separate return. For more information, get FTB Pub. 1031, Guidelines for Determining Resident Status, and FTB Pub. 1051A, Guidelines For Married Filing Separate Returns.

**If You File as Head of Household**, do not claim yourself or a nonrelative as the qualifying individual for head of household. Get FTB Pub. 1540, Tax Information for Head of Household Filing Status, for more information. See "Order Forms and Publications" on page 60.

 **Tip** e-file and you can close this book now! The software you use to e-file will help you find out if you qualify to claim head of household. Most software also provides a questionnaire, 4803e, which will help verify your eligibility to the FTB. Go to [www.ftb.ca.gov](http://www.ftb.ca.gov)

## Step 3 – Exemptions

### Line 6 – Can be Claimed as a Dependent

Completely fill in the circle on line 6 if your parent (or someone else) can claim you as a dependent on his or her tax return, even if he or she chooses not to.

### Line 7 – Personal Exemptions

Did you fill in the circle on line 6?

**No** Follow the instructions on Long Form 540NR, line 7.

**Yes** Ignore the instructions on Long Form 540NR, line 7. Instead, enter the amount shown below for your filing status:

- Single or married filing separately, enter -0-;
- Head of household, enter -0-;
- Married filing jointly and both you and your spouse can be claimed as dependents, enter -0-; or
- Married filing jointly and only one spouse can be claimed as a dependent, enter 1.

### Line 8 – Blind Exemptions

The first year you claim this exemption credit, you must attach a doctor's statement to the back of Long Form 540NR indicating that you or your spouse are visually impaired. You are visually impaired if you cannot see better than 20/200 while wearing glasses or contact lenses, or if your field of vision is not more than 20 degrees.

**Caution:** An individual who is someone else's dependent may not claim this credit.

### Line 9 – Senior Exemptions

If you were 65 years of age or older by December 31, 2002\*, you should claim an additional exemption credit on line 9. If you are married, each spouse 65 years of age or older should claim an additional credit. You may contribute all or part of this credit to the California Seniors Special Fund. See page 23 for information about this fund.

\*If your 65th birthday is on January 1, 2003, you are considered to be age 65 on December 31, 2002.

**Caution:** An individual who is someone else's dependent may not claim this credit.

**Line 10 – Dependent Exemptions**

To claim an exemption credit for each of your dependents, write each dependent's name and relationship to you in the space provided. If you have more than five dependents, attach a schedule. The persons you list as dependents must be the same persons you listed as dependents on your federal income tax return. Count the number of dependents listed and enter the total in the box on line 10. Multiply the number you entered by the pre-printed dollar amount and enter the result.

**Line 11 – Total Exemptions**

Enter the total dollar amount of all exemptions, personal, blind and dependents.

**Step 4 – Taxable Income**

Refer to your completed federal income tax return to complete "Step 4."

**Line 12 – California Wages**

Enter the total amount of your California wages from your Form(s) W-2. This amount should be shown in box 16 of Form W-2.

**Line 14 – California Adjustments — Subtractions  
(from Schedule CA (540NR), line 35, column B)**

You must complete Schedule CA (540NR) to find the amount to enter on Long Form 540NR, line 14. Follow the instructions for Schedule CA (540NR) beginning on page 33. Enter the amount from Schedule CA (540NR), line 35, column B on Long Form 540NR, line 14.

**Caution:** If the amount on Schedule CA (540NR) line 35, column B is a negative number, do not transfer it to Long Form 540NR, line 14 as a negative number. Instead, transfer the number as a positive number to Long Form 540NR, line 16.

**Line 15 – Subtotal**

Subtract the amount on line 14 from the amount on line 13. Enter the result on line 15. If the amount on line 13 is less than zero, combine the amounts on line 13 and line 14 and enter the amount in parentheses. For example: "(12,325)."

**Line 16 – California Adjustments — Additions  
(from Schedule CA (540NR), line 35, column C)**

You must complete Schedule CA (540NR), to find the amount to enter on Long Form 540NR, line 16. Follow the instructions for Schedule CA (540NR) beginning on page 33. Enter the amount from Schedule CA (540NR), line 35, column C on Long Form 540NR, line 16.

**Caution:** If the amount on Schedule CA (540NR) line 35, column C is a negative number, do not transfer it to Long Form 540NR, line 16 as a negative number. Instead, transfer the number as a positive number to Long Form 540NR, line 14.

**Line 17 – Adjusted Gross Income From All Sources**

Combine line 15 and line 16. This amount should be the same as the amount on Schedule CA (540NR), line 35, column D.

**Line 18 – California Itemized Deductions or California Standard Deduction**

You must decide whether to itemize your charitable contributions, medical expenses, etc., or take the standard deduction. Your California income tax will be less if you take the **larger** of your California:

- Itemized deductions (total itemized deductions allowed under California law); or
- Standard deduction.

If you are married and file a separate return, you and your spouse must either both itemize your deductions or both take the standard deduction.

**Itemized deductions.** Figure your California itemized deductions by completing Schedule CA (540NR), Part III, line 36 through line 42. Enter the result on Long Form 540NR, line 18.

**Note:** If you did not itemize deductions on your federal income tax return but will itemize deductions for your California Long Form 540NR, first complete federal Schedule A, Itemized Deductions. Then complete Schedule CA (540NR), Part III, line 36 through line 42.

**Standard deduction.** Find your standard deduction on the California Standard Deduction Chart For Most People on this page. If you filled in the circle on Long Form 540NR, line 6, use the California Standard Deduction Worksheet for Dependents, on this page, instead.

**California Standard Deduction Chart for Most People**

Do not use this chart if your parent, or someone else, can claim you (or your spouse, if married) as a dependent on his or her tax return.

Your Filing Status	Enter On Line 18
1 – Single	\$3,004
2 – Married filing jointly	\$6,008
3 – Married filing separately	\$3,004
4 – Head of household	\$6,008
5 – Qualifying widow(er)	\$6,008

**Note:** The California standard deduction amounts are less than the federal standard deduction amounts.

**California Standard Deduction Worksheet for Dependents**

Use this worksheet only if your parent, or someone else, can claim you (or your spouse if married) as a dependent on his or her tax return.

1. Enter your earned income from: line 1 of the "Standard Deduction Worksheet for Dependents" in the instructions for federal Form 1040; Form 1040A; or from line A of the worksheet on the back of Form 1040EZ. If you used federal TeleFile, add \$250 to the total of your wages from all Form(s) W-2, box 1 and enter the result here 1 \_\_\_\_\_
2. Minimum standard deduction 2 \$750.00
3. Enter the **larger** of line 1 or line 2 here 3 \_\_\_\_\_
4. Enter the amount shown for your filing status:
  - Single or married filing separately, enter \$3,004
  - Married filing jointly, head of household, or qualifying widow(er), enter \$6,008
 } .... 4 \_\_\_\_\_
5. **Standard deduction.** Enter the **smaller** of line 3 or line 4 here and on Long Form 540NR, line 18 5 \_\_\_\_\_

**Step 5 – California Taxable Income**

When you figure your tax, be sure to use the correct filing status and taxable income amount.

**Line 20 – Tax**

Figure your tax on the amount on line 19. Use one of the following methods and fill in the matching circle on line 20:

- **Tax Table.** If your taxable income is \$100,000 or less, you must use the tax table beginning on page 51. Be sure you use the correct filing status column.
- **Tax Rate Schedules.** If your taxable income is over \$100,000, you must use the tax rate schedules on page 56.
- **FTB 3800.** Generally, you must use form FTB 3800, Tax Computation for Children Under Age 14 with Investment Income, to figure the tax on the separate Long Form 540NR of your child who was under age 14 on January 1, 2003, and who had more than \$1,500 of investment income. Attach form FTB 3800 to the child's Long Form 540NR.

- **FTB 3803.** If, as a parent, you elect to report your child's interest and dividend income of \$7,500 or less (but not less than \$750) on your return, complete form FTB 3803, Parents' Election to Report Child's Interest and Dividends. You must file a separate form FTB 3803 for each child whose income you elect to include on your Long Form 540NR. Add the amount of tax, if any, from each form FTB 3803, line 9, to the amount of your tax from the tax table or tax rate schedules and enter the result on Long Form 540NR, line 20. Attach form(s) FTB 3803 to your return.

### Line 21 – California Adjusted Gross Income

You must complete Schedule CA (540NR), line 43 to determine your California adjusted gross income. Follow the instructions for Schedule CA (540NR) beginning on page 33. Enter on Long Form 540NR, line 21 the amount from Schedule CA (540NR), line 43.

### Line 22 – CA Taxable Income

Enter the amount from Schedule CA 540NR, line 47.

### Line 23 – CA Tax Rate

Divide the tax on total taxable income (line 20) by total taxable income (line 19).

### Line 24 – CA Tax Before Exemption Credits

Multiply CA Taxable Income (line 22) by the CA Tax Rate (line 23).

### Line 25a – CA Exemption Credit Percentage

Divide the California Taxable Income (line 22) by Total Taxable Income (line 19). This percentage does not apply to the Nonrefundable Renter's Credit, Other State Tax Credit, or credits that are conditional upon a transaction occurring wholly within California. **If more than 1, enter 1.0000.**

### Line 25b – CA Prorated Exemption Credits

Use your exemption credits to reduce your tax. If your federal adjusted gross income (AGI) on line 13 is more than the amount for your filing status, your credits will be limited.

**If your filing status is:** **Is Long Form 540NR, line 13 more than:**

Single or married filing separately .....	\$132,793
Married filing jointly or qualifying widow(er) .....	\$265,589
Head of household .....	\$199,192

**Yes** Complete the AGI Limitation Worksheet below.

**No** Multiply line 11 by line 25a.

#### AGI Limitation Worksheet

- |  |                |
|--|----------------|
| <b>a</b> Enter the amount from Long Form 540NR, line 13  | <b>a</b> _____ |
| <b>b</b> Enter the amount for your filing status on line b:<br>Single or married filing separately ..... \$132,793<br>Married filing jointly or<br>qualifying widow(er) ..... \$265,589<br>Head of household ..... \$199,192 | <b>b</b> _____ |
| <b>c</b> Subtract line b from line a .....   | <b>c</b> _____ |
| <b>d</b> Divide line c by \$2,500 (\$1,250 if married filing<br>separately). <b>Note:</b> If the result is not a whole<br>number, round it to the next higher whole number ....  | <b>d</b> _____ |
| <b>e</b> Multiply line d by \$6 .....  | <b>e</b> _____ |
| <b>f</b> Add the numbers from the <b>boxes</b> on Long Form 540NR,<br>line 7, line 8, and line 9 (not dollar amounts) .....  | <b>f</b> _____ |
| <b>g</b> Multiply line e by line f .....   | <b>g</b> _____ |
| <b>h</b> Enter the total dollar amount for line 7, line 8<br>and line 9 .....  | <b>h</b> _____ |
| <b>i</b> Subtract line g from line h. If zero or less enter -0- ....   | <b>i</b> _____ |
| <b>j</b> Enter the number from the box on Long Form 540NR,<br>line 10 (not the dollar amount) .....  | <b>j</b> _____ |
| <b>k</b> Multiply line e by line j .....   | <b>k</b> _____ |
| <b>l</b> Enter the dollar amount (that you filled in) from<br>Long Form 540NR, line 10 .....   | <b>l</b> _____ |
| <b>m</b> Subtract line k from line l. If zero or less, enter -0- ....  | <b>m</b> _____ |
| <b>n</b> Add line i and line m. Enter the result here .....  | <b>n</b> _____ |
| <b>o</b> Multiply the amount on line n by the CA Exemption<br>Credit Percentage on Form 540NR, line 25a. Enter<br>the result here and on Form 540NR, line 25b .....  | <b>o</b> _____ |

### Line 26 – Tax from Schedule G-1 and form FTB 5870A

Fill in the circle for and enter the amount of taxes from:

- Schedule G-1, Tax on Lump-Sum Distributions; and
- Form FTB 5870A, Tax on Accumulation Distribution of Trusts.

## Step 6 – Special Credits and Nonrefundable Renter's Credit

A variety of California tax credits are available to reduce your tax if you qualify.

To figure and claim most credits, you must complete a separate form or schedule and attach it to your Long Form 540NR. The Credit Chart on page 22 describes the credits and provides the name, credit code, and number of the required form or schedule. Many credits are limited to a certain percentage or a certain dollar amount. In addition, the total amount you may claim for all credits is limited by tentative minimum tax (TMT). Answer the following questions before you claim credits on your tax return.

1. Do you qualify to claim the nonrefundable renter's credit? (See page 8.)  
Check ☐ **Yes** or ☐ **No**, then go to Question 2.

2. Are you claiming any other special credit listed in the Credit Chart on page 22?

**No** If you checked "Yes" for Question 1 and entered an amount on Long Form 540NR, line 40, go to line 42. If you checked "No" for Question 1, skip to the instructions for line 43.

**Yes** Figure your credit using the form, schedule, worksheet, or certificate identified in the Credit Chart. Then go to Box A, below to see if the total amount you may claim for all credits is limited by TMT. If you checked "Yes" for Question 1, be sure that you entered your nonrefundable renter's credit on line 40.



**Box A –** Did you complete federal Schedule C, D, E, or F **and** claim or receive any of the following:

- Accelerated depreciation in excess of straight-line;
- Intangible drilling costs;
- Depletion;
- Circulation expenditures;
- Research and experimental expenditures;
- Mining exploration/development costs;
- Amortization of pollution control facilities;
- Income/loss from tax shelter farm activities;
- Income/loss from passive activities;
- Income from long-term contracts using the percentage of completion method;
- Pass-through AMT adjustment from an estate or trust reported on Schedule K-1 (541); or
- Excluded gain on the sale of qualified small business stock

**Yes** Get and complete Schedule P (540NR).

**No** Go to Box B.

**Box B –** Did you claim or receive any of the following:

- Investment interest expense;  **226**
- Income from incentive stock options in excess of the amount reported on your return;  **225**
- Income from installment sales of certain property; or

**Yes** Get and complete Schedule P (540NR).

**No** Go to Box C.

**Box C –** If your filing status is: **Is Long Form 540NR, line 17 more than:**

Single or head of household .....	\$183,132
Married filing jointly or qualifying widow(er) .....	\$244,176
Married filing separately .....	\$122,087

**Yes** Get and complete Schedule P (540NR).

**No** Your credits are not limited. Go to the instructions for the Long Form 540NR, line 37.

**Carryovers:** If you claim a credit with carryover provisions and the amount of the credit available this year exceeds your tax, you may carry over any excess credit to future years until the credit is used (unless the carryover period is a fixed number of years). If you claim a credit carryover from an expired credit, use form FTB 3540, Credit Carryover Summary, to figure the amount of the credit.

If you need to complete Schedule P (540NR) **and** if you claim any of the credits on line 31 through line 34, do not enter an amount on line 31 through line 34. Instead, enter the total amount of these credits from Schedule P (540NR), Part IV, Section A1, line 4 through line 11, on Long Form 540NR, line 36. Do not follow the instructions for line 36. Write "Schedule P (540NR)" to the left of the amount entered on line 36.

### Line 31 – Credit for Joint Custody Head of Household — Code 170

**Note:** You may **not** claim this credit if you used the head of household, married filing jointly, or the qualifying widow(er) filing status.

You may claim a credit if you were unmarried at the end of 2002 (or if married, you lived apart from your spouse for all of 2002 and you used the married filing separately filing status); and if you furnished more than one-half the household expenses for your home that also served as the main home of your child, step-child, or grandchild for at least 146 days but not more than 219 days of your taxable year. If the child is married, you must be entitled to claim a dependent exemption for the child.

Also, the custody arrangement for the child must be part of a decree of dissolution or separate maintenance or must be part of a written agreement between the parents where the proceedings have been initiated, but a decree of dissolution or separate maintenance has not yet been issued.

Use the worksheet below to figure this credit.

1. Subtract line 11 from line 20 on Long form 540NR and enter result here ..... **1** \_\_\_\_\_
2. Enter the Schedule G-1 tax, if any, included on Long Form 540NR, line 26 ..... **2** \_\_\_\_\_
3. Add line 1 and line 2 ..... **3** \_\_\_\_\_
4. Credit percentage — 30% ..... **4** x .30
5. Credit amount. Multiply line 3 by line 4.  
Enter on this line the result or \$320, whichever is less. Enter this amount on line 31 of the Long Form 540NR, Side 2 ..... **5** \_\_\_\_\_

**NOTE:** If your filing status is: **Federal AGI is more than:**  
Single or married filing separately \$132,793

If your AGI is greater than the Federal AGI based on your filing status above, subtract line n from the AGI Limitation Worksheet on the prior page from line 20 of the Long Form 540NR and enter this amount on line 1 of the worksheet above to calculate your credit.

### Line 32 – Credit for Dependent Parent — Code 173

**Note:** You may not claim this credit if you used the single, head of household, qualifying widow(er) or married filing jointly filing status.

You may claim this credit only if:

- You were married at the end of 2002 and you used the married filing separately filing status;
- Your spouse was not a member of your household during the last six months of the year; and
- You furnished over one-half the household expenses for your dependent mother or father, whether or not she or he lived in your home.

To figure the amount of this credit, use the worksheet for the credit for joint custody head of household above.

Enter on this line the result or \$320, whichever is less. Enter this amount on line 32 of the Long Form 540NR, Side 2.

### Line 33 – Credit for Senior Head of Household — Code 163

You may claim this credit if you:

- Were 65 years of age or older on December 31, 2002\*;
- Qualified as a head of household in 2000 or 2001 by providing a household for a qualifying individual who died during 2000 or 2001; and
- Did not have adjusted gross income over \$51,941 for 2002.

\*If your 65th birthday is on January 1, 2003, you are considered to be age 65 on December 31, 2002.

**Note:** If you meet all the conditions listed, you do not need to qualify to use the head of household filing status for 2002 in order to claim this credit.

Use the worksheet below to figure this credit.

1. Enter the amount from Long Form 540NR, line 19 ... **1** \_\_\_\_\_
2. Credit percentage — 2% ..... **2** x .02
3. Credit amount. Multiply line 1 by line 2.  
Enter on this line the result or \$979, whichever is less. Enter this amount on line 33 of the Long Form 540NR, Side 2 ..... **3** \_\_\_\_\_

### Line 34 – Credit for Long-Term Care — Code 214

Enter the amount from form FTB 3504, Part II, line 4.

To get form FTB 3504, Long-Term Care Credit, see "Order Forms and Publications" on page 60.

### Line 36 – Credit Percentage and Credit Amount

Complete the worksheet below to compute your credit percentage and the allowable prorated credit to enter on line 36. If you completed Schedule P (540NR), see this page for the instructions right above the Line 31 instructions.

#### Part I – Credit Percentage

1. Divide Long Form 540NR, line 22 by line 19. Enter the result here and on Long Form 540NR, line 36a ... **1** . . . . .

#### Part II – Credit Amount

##### Credit for Joint Custody Head of Household

1. Enter the amount from Long Form 540NR, line 31 . **1** \_\_\_\_\_
2. Credit Percentage from Part I, line 1 ..... **2** x \_\_\_\_\_
3. Multiply line 1 by line 2 ..... **3** \_\_\_\_\_
4. Enter the lesser of the amount from line 3 or \$320 ... **4** \_\_\_\_\_

##### Credit for Dependent Parent

5. Enter the amount from Long Form 540NR, line 32 . **5** \_\_\_\_\_
6. Credit Percentage from Part I, line 1 ..... **6** x \_\_\_\_\_
7. Multiply line 5 by line 6 ..... **7** \_\_\_\_\_
8. Enter the lesser of the amount on line 7 or \$320 ... **8** \_\_\_\_\_

##### Credit for Senior Head of Household

9. Enter the amount from Long Form 540NR, line 33 . **9** \_\_\_\_\_
10. Credit Percentage from Part I, line 1 ..... **10** x \_\_\_\_\_
11. Multiply line 9 by line 10 ..... **11** \_\_\_\_\_
12. Enter the lesser of the amount on line 11 or \$979 ... **12** \_\_\_\_\_

##### Credit for Long-Term Care

13. Enter the amount from Long Form 540NR, line 34 **13** \_\_\_\_\_
14. Credit Percentage from Part I, line 1 ..... **14** x \_\_\_\_\_
15. Multiply line 13 by line 14 ..... **15** \_\_\_\_\_
16. Enter the lesser of line 13 or line 15 ..... **16** \_\_\_\_\_

##### Total Prorated Credits

17. Add line 4, line 8, line 12 and line 16. Enter the result here and on Long Form 540NR, line 36. .... **17** \_\_\_\_\_



**Line 37 through Line 39 – Additional Special Credits**

Each credit has a code number. To claim only one or two credits, enter the credit name, code number, and amount of the credit on line 37 and line 38. To claim more than two credits, get Schedule P (540NR). See "Order Forms and Publications" on page 60. List two of the credits on line 37 and line 38. Enter on line 39 the total of any remaining credits from Schedule P (540NR).

**Important:** Attach Schedule P (540NR) and any required supporting schedules or statements to your Long Form 540NR.

**Credit for Child Adoption Costs — Code 197**

For the year in which an order of adoption is entered, you may claim a credit for 50% of the cost of adopting a child who is a citizen or legal resident of the United States and who was in the custody of a California public agency or a California political subdivision. You may include the following costs if directly related to the adoption process:

- Fees of the Department of Social Services or a licensed adoption agency;
- Medical expenses not reimbursed by insurance; and
- Travel expenses for the adoptive family.

**Note:** Any deduction for the expenses upon which this credit is based must be reduced by the amount of the child adoption costs credit claimed.

Use the following worksheet to figure this credit. If more than one adoption qualifies for this credit, complete a separate worksheet for each adoption. The maximum credit is limited to \$2,500 per minor child.

1. Enter qualifying costs for the child .....	<b>1</b>	_____
2. Credit percentage — 50% .....	<b>2</b>	x <u>.50</u>
3. Credit amount. Multiply line 1 by line 2. Do not enter more than \$2,500 .....	<b>3</b>	_____

Your allowable credit is limited to \$2,500 for 2002. You may carry over the excess credit to future years until the credit is used.

**Line 40 – Nonrefundable renter's credit**

Go to the instructions for "Step 6" on page 19.

**Line 43 –**

Subtract the amount on line 42 from the amount on line 28. Enter the result on line 43. If the amount on line 42 is more than the amount on line 28, enter -0-. If you owe interest on deferred tax from installment obligations, include the additional tax, if any, in the amount you enter on line 43. Write "IRC Section 453 interest" or "IRC Section 453A interest" and the amount on the dotted line to the left of the amount on line 43.

**Step 7 – Other Taxes**

Attach the specific form or statement required for each item in this step.

**Line 44 – Alternative Minimum Tax (AMT)**

If you claim certain types of deductions, exclusions, and credits, you may owe AMT if your total income is more than:

- \$65,114 married filing jointly or qualifying widow(er); or
- \$48,836 single or head of household; or
- \$32,556 married filing separately.

A child under age 14 may owe AMT if the sum of the amount on line 19 (taxable income) and any preference items listed on Schedule P (540NR) and included on the return is more than the sum of \$5,500 plus the child's earned income.

AMT income does not include income, adjustments, and items of tax preference related to any trade or business of a qualified taxpayer who has gross receipts, less returns and allowances, during the taxable year of less than \$1,000,000 from **all** trades or businesses.

Get Schedule P (540NR) for more information. See "Order Forms and Publications" on page 60.

**Line 45 – Other Taxes and Credit Recapture**

If you used form(s) FTB 3501, Employer Child Care Program/Contribution Credit; FTB 3535, Manufacturers' Investment Credit; FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts; FTB 3805Z, Enterprise Zone Deduction and Credit Summary; FTB 3806, Los Angeles Revitalization Zone (LARZ) Deduction and Credit Summary; FTB 3807, Local Agency Military Base Recovery Area Deduction and Credit Summary; FTB 3808, Manufacturing Enhancement Area Credit Summary; or FTB 3809, Targeted Tax Area Deduction and Credit Summary; include the additional tax, if any, on line 45. Write the form number on the dotted line to the left of the amount on line 45.

**Step 8 – Payments**

Make sure you have your Form(s) W-2, W-2G, 1099-MISC, 1099-R, 592-B, 594, and 597 before you begin this step.

If you received wages and do not have a Form W-2, see page 27, Question 2.

**Line 47 – California Income Tax Withheld**

Enter the total California income tax withheld from your Form(s):

- W-2, box 17;
- W-2G, box 14;
- 1099-MISC, box 16; or
- 1099-R, box 10.

**Caution:** Do not include city or county tax withheld or tax withheld by other states. Do not include nonresident withholding on this line. See line 48. If you had California tax withheld and did not receive a Form W-2 or 1099, contact the entity that paid the income.

If you received Form(s) 1099 showing California income tax withheld ("backup withholding") on dividend and interest income, real estate sales, and partnership distributions, include the amount(s) withheld in the total on line 47 and attach a copy of the Form(s) 1099 to your return.

The Franchise Tax Board verifies all withholding claimed from Forms W-2, W-2G, 1099-MISC and 1099R with the Employment Development Department (EDD).

**Line 48 – Nonresident Withholding**

Enter the total California tax withheld from your form(s): 592-B, 594, and 597.

**Caution:** Do not include withholding from other form(s) on this line. If you had California income tax withheld and did not receive Form 592-B, 594, or 597, contact the entity that paid the income.

**Line 49 – 2002 CA Estimated Tax**

Enter the total of any:

- California estimated tax payments you made (Form 540-ES) for 2002;
- Overpayment from your 2001 California income tax return that you applied to your 2002 estimated tax;
- Payment you sent with form FTB 3519, Payment Voucher for Automatic Extension for Individuals; and
- California estimated tax payments made on your behalf by an estate or trust on Schedule K-1 (541).

**Note:** If you are including an amount from Schedule K-1 (568), write "LLC" on the dotted line to the left of the amount on line 49.

If you and your spouse paid joint estimated tax but are filing separate returns, either of you may claim all of the amount paid or you may each claim part of it. Attach a statement signed by you and your spouse explaining how you want your payments divided. Show both social security numbers on the separate returns. If you or your spouse made separate estimated tax payments, but are now filing a joint income tax return, add the amounts you each paid. Attach a statement to the front of your Long Form 540NR explaining that payments were made under both social security numbers.

**CREDIT CHART**

<b>Credit Name &amp; Credit Form/Worksheet</b>	<b>Code</b>	<b>Description</b>
Child Adoption – Worksheet on page 21	197	50% of qualified costs in the year an adoption is ordered
Child and Dependent Care Expenses – FTB 3506 See the instructions on page 23	None	Similar to the federal credit except that the California credit amount is based on a specified percentage of the federal credit and is refundable
Community Development Financial Institution Deposits – Certification Required	209	20% of each qualified deposit made to a community development financial institution Obtain certification from: California Organized Investment Network (COIN), Department of Insurance, 300 Capitol Mall, Suite 1460, Sacramento CA 95814
Dependent Parent – Worksheet on page 20	173	Must use married filing separately filing status and have a dependent parent
Disabled Access for Eligible Small Businesses – FTB 3548	205	Similar to the federal credit but limited to \$125 based on 50% of qualified expenditures that do not exceed \$250
Donated Agricultural Products Transportation – FTB 3547	204	50% of the costs paid or incurred for the transportation of agricultural products donated to nonprofit charitable organizations
Employer Child Care Contribution – FTB 3501	190	Employer: 30% of contributions to a qualified plan
Employer Child Care Program – FTB 3501	189	Employer: Cost of establishing a child care program or constructing a child care facility
Enhanced Oil Recovery – FTB 3546	203	One third of the similar federal credit and limited to qualified enhanced oil recovery projects located within California
Enterprise Zone Employee – FTB 3553	169	5% of wages from work in an enterprise zone
Enterprise Zone Hiring & Sales or Use Tax – FTB 3805Z	176	Business incentives for enterprise zone businesses
Farmworker Housing – Certification required	207	50% of new construction or rehabilitation costs for farmworker housing Obtain certification from: Farmworker Housing Assistance Program, California Tax Credit Allocation Committee, 915 Capitol Mall, Room 485, Sacramento CA 95814
Joint Custody Head of Household – Worksheet on page 20	170	30% of tax up to \$320 for single or married filing separately taxpayers who have a child and meet support test
Joint Strike Fighter Wages – FTB 3534	215	50% of qualified wages paid or incurred in taxable years beginning in 2001, not to exceed \$10,000 for each qualified employee, or a proportional amount for an employee who is employed by the taxpayer for only part of the taxable year
Joint Strike Fighter Property – FTB 3534	216	10% of the cost of property placed in service in California for ultimate use in a joint strike fighter.
Local Agency Military Base Recovery Area (LAMBRA) Hiring & Sales or Use Tax – FTB 3807	198	Business incentives for LAMBRA's
Long-Term Care – FTB 3504	214	\$500 multiplied by the number of qualifying individuals for whom you provide long-term care
Low-Income Housing – FTB 3521	172	Similar to the federal credit but limited to low-income housing in California
Manufacturers' Investment – FTB 3535	199	6% of the cost of qualified property
Manufacturing Enhancement Area (MEA) Hiring – FTB 3808	211	Percentage of qualified wages paid to qualified disadvantaged individuals
Natural Heritage Preservation – FTB 3503	213	55% of the fair market value of any qualified contribution. This credit is suspended for fiscal year 7/1/02 through 6/30/03.
Nonrefundable Renter's — See page 19	None	For California residents who paid rent for their principal residence for at least 6 months in 2002 and whose AGI does not exceed a certain limit
Other State Tax – Schedule S	187	Net income tax paid to another state or a U.S. possession on income also taxed by California
Prior Year Alternative Minimum Tax – FTB 3510	188	Must have paid alternative minimum tax in a prior year and have no alternative minimum tax liability in 2002
Prison Inmate Labor – FTB 3507	162	10% of wages paid to prison inmates
Research – FTB 3523	183	Similar to the federal credit but limited to costs for research activities in California
Rice Straw – Certification required	206	\$15 per ton of purchased rice straw grown in California Obtain certification from: Rice Straw Tax Credit Program, Department of Food and Agriculture, 1220 N Street, Room 409, Sacramento, CA 95814
Senior Head of Household – Worksheet on page 20	163	2% of taxable income up to \$979 for seniors who qualified for head of household in 2000 or 2001 and whose qualifying individual died during 2000 or 2001.
Solar Energy System Credit – FTB 3508	217	The lesser of 15% of the cost paid or incurred for the purchase and installation of a Solar Energy System or the dollar amount per rated watt of the Solar Energy System
Targeted Tax Area (TTA) Hiring & Sales or Use Tax – FTB 3809	210	Business incentives for TTA businesses
Teacher Retention Credit – FTB 3505	212	This credit is suspended for 2002.

**Repealed Credits:** The expiration dates for these credits have passed. However, these credits had carryover provisions. You may claim these credits only if there is a carryover available from prior years. If you are not required to complete Schedule P (540NR), get form FTB 3540, Credit Carryover Summary, to figure your credit carryover to future years.

Agricultural Products	175	Los Angeles Revitalization Zone (LARZ)	Ridesharing	171
Commercial Solar Electric System	196	Hiring & Sales or Use Tax – get form FTB 3806	Salmon & Steelhead Trout Habitat Restoration	200
Commercial Solar Energy	181	Low-Emission Vehicles	Solar Energy	180
Employee Ridesharing	194	Orphan Drug	Solar Pump	179
Employer Ridesharing: Large employer	191	Political Contributions	Water Conservation	178
Small employer	192	Recycling Equipment	Young Infant	161
Transit passes	193	Residential Rental & Farm Sales		
Energy Conservation	182			

**Line 50 – Excess California SDI (or VPD) Withheld**

If California State Disability Insurance (SDI) or Voluntary Plan Disability Insurance (VPDI) was withheld from your wages by a single employer, at a rate of more than .9%, you may not claim excess SDI (or VPD) on your Long Form 540NR. Contact the employer for a refund.

You may be entitled to claim a credit for excess SDI (or VPD) only if you meet all of the following conditions:

- You had **two or more** employers during 2002;
- You received more than \$46,327 in wages; and
- The amounts of SDI (or VPD) withheld appear on your Forms W-2. Be sure to attach your Forms W-2 to your Long Form 540NR.

Follow the instructions below to figure the amount to enter on line 50.

<b>Excess SDI (or VPD) Worksheet</b>		
Follow the instructions below to figure the amount to enter on Long Form 540NR, line 50. If you are married and file a joint return, you must figure the amount of excess SDI (or VPD) separately for each spouse.		
	<b>You</b>	<b>Your Spouse</b>
1. Add amounts of SDI (or VPD) withheld shown on your Form(s) W-2. Enter the total here . . . . . 1		
2. 2002 SDI (or VPD) limit . . . . . 2	\$416.94	\$416.94
3. Excess SDI (or VPD) withheld. Subtract line 2 from line 1. Enter the result here and on Long form 540NR, line 50 . . . . . 3		
<b>Note:</b> If zero or less, enter -0- on line 50.		

**Line 51 through line 54 – Child and Dependent Care Expenses Credit**

You may be able to claim this credit if you paid someone to care for your child under the age of 13, other dependent who is physically or mentally incapable of caring for him or herself, or spouse if physically or mentally incapable of caring for him or herself. To claim this credit, your adjusted gross income must be less than \$100,000; attach form FTB 3506, Child and Dependent Care Expenses Credit.

**Line 51 and line 52**

Enter the qualifying person's social security number. Do not enter more than one qualifying person's social security number on line 51 or line 52 from form FTB 3506, Part III, line 2. If you have more than two qualifying persons, see the instructions for form FTB 3506, Part III, line 2.

**Line 53**

Enter the credit allowed from form FTB 3506, Part III, line 8 (do not round this amount).

**Line 54**

Enter the credit allowed from form FTB 3506, Part IV, line 16 (do not round this amount). See "Order Forms and Publications" on page 60.

**Step 9 – Overpaid Tax or Tax Due**

**Note:** If you received a refund for 2001, you may receive a Form 1099-G, Certain Government and Qualified State Tuition Program Payments. The refund amount reported on your Form 1099-G will be different from the amount shown on your tax return if you claimed the Child and Dependent Care Expenses Credit. This is because the credit is not part of the refund from withholdings or estimated tax payments.

To avoid a delay in the processing of your return, be sure you enter the correct amounts on line 56 through line 59.

**Line 56 – Overpaid Tax**

If the amount on line 55 is more than the amount on line 46, subtract the amount on line 46 from the amount on line 55. Enter the result on line 56. Your payments and credits are more than your tax.

**Line 57 – Amount You Want Applied to Your 2003 Estimated Tax**

You may apply all or part of the amount on line 56 to your estimated tax for 2003. Enter on line 57 the amount of line 56 you want applied to 2003.

**Line 58 – Overpaid Tax Available This Year**

If you entered an amount on line 57, subtract it from the amount on line 56. Enter the result on line 58. You may have this entire amount refunded to you or you may make contributions to the California Seniors Special Fund or make other voluntary contributions from this amount. If you make a contribution, skip line 59 and go to the instructions for "Step 10."

**Line 59 – Tax Due**

If the amount on line 55 is less than the amount on line 46, subtract the amount on line 55 from the amount on line 46. Enter the result on line 59. Your tax is more than your payments and credits.

There is a penalty for not paying enough tax during the year. You may have to pay a penalty if:

- The tax due on line 59 is \$200 or more (\$100 or more if married filing separately); and
- The amount of state income tax withheld on line 47 is less than 90% of the amount of your total tax on line 46.

If you owe a penalty, the Franchise Tax Board will figure the penalty and send you a bill.

**Step 10 – Contributions**

You may contribute to only the following funds and cannot change the amount you contributed after the return is filed.

If you have overpaid tax available on line 58, the amount you contribute must be subtracted from your overpaid tax available. If you have tax due on line 59, your total contributions must be added to your tax due.

**Line 60 – Contribution to California Seniors Special Fund**

If you and/or your spouse are 65 years of age or older and claim the Senior Exemption Credit on line 9, you may make a combined total contribution of up to \$160 or \$80 per spouse. Contributions entered on line 60 will be distributed to the Area Agency of Aging Councils (TACC) to provide advice on and sponsorship of Senior Citizen issues. Any excess contributions not required by TACC will be distributed to senior citizen service organizations throughout California for meals, adult day care, and transportation.

Use the worksheet below to figure your contribution.

1. If you contribute, enter \$80; if you and your spouse contribute, enter \$160 . . . . . **1** \_\_\_\_\_
2. Enter the ratio from Long Form 540NR, line 25a . . . . . **2** \_\_\_\_\_
3. Contribution amount. Multiply line 1 by line 2. Enter the result (rounded to the nearest whole dollar) here . . . . . **3** \_\_\_\_\_

You may contribute any amount up to the amount on line 3. Enter your contribution on line 60.

## Voluntary Contributions

You may make voluntary contributions of \$1 or more in whole dollar amounts for line 60 to line 70. The amount you contribute either reduces your overpaid tax or increases your tax due. You may contribute only to the funds listed and cannot change the amount you contributed after you file your return.

### Line 61 – Alzheimer’s Disease/Related Disorders Fund

Contributions entered on line 61 will be used to conduct a program for researching the cause and cure of Alzheimer’s disease and related disorders and research into the care and treatment of persons suffering from dementing illnesses.

### Line 62 – California Fund for Senior Citizens

California Fund for Senior Citizens. Contributions entered on line 62 will provide support for the California Senior Legislature (CSL). The CSL are volunteers who prioritize statewide senior related legislative proposals in areas of health, housing, transportation, and community services. Any excess contributions not required by the CSL will be distributed to senior citizen service organizations throughout California.

### Line 63 – Rare and Endangered Species Preservation Program

Contributions entered on line 63 will be used to help protect and conserve California’s many threatened and endangered species and the wild lands that they need to survive, for the enjoyment and benefit of you and future generations of Californians.

### Line 64 – State Children’s Trust Fund for the Prevention of Child Abuse

Contributions entered on line 64 will be used to fund programs for the prevention, intervention, and treatment of child abuse and neglect.

### Line 65 – California Breast Cancer Research Fund

Contributions entered on line 65 will fund research toward preventing and curing breast cancer. Breast cancer is the most common cancer to strike women in California. It kills 4,000 California women each year. Contributions also fund research on prevention and better treatment, and keep doctors up to date on research progress. For more about the research your contributions support, please see our Website: [www.ucop.edu/srphome/bcrp/](http://www.ucop.edu/srphome/bcrp/). Your contribution can help make breast cancer a disease of the past.

### Line 66 – California Firefighters’ Memorial Fund

Contributions entered on line 66 will be used to construct a memorial on the grounds of the State Capitol honoring hundreds of firefighters who have died protecting our communities, our families and our dreams. When the alarm sounded, these brave men and women answered the call with their lives. Their sacrifices, and the sacrifices of their families, deserve to be remembered.

### Line 67 – Emergency Food Assistance Program Fund

Contributions entered on line 67 will help local food banks feed California’s hungry. Your contribution will fund the purchase of much-needed food for delivery to food banks, pantries, and soup kitchens throughout the state. The State Department of Social Services will monitor its distribution to ensure the food is given to those most in need.

### Line 68 – California Peace Officer Memorial Foundation Fund

Contributions entered on line 68 will permit the Foundation to preserve the memory of our fallen comrades by maintaining a Memorial on State Capitol grounds, and updating it annually to memorialize officers killed in the line of duty each year. Beginning with California statehood, peace officers have laid their lives on the line to protect law-abiding citizens.

Since then over 1,300 courageous peace officers have fallen in the line of duty. The California Peace Officer Memorial Foundation is a non-profit charitable organization committed to honoring those heroes by assisting their survivors by offering moral support, counseling, and financial support, including academic scholarships for the children of those officers who have made the supreme sacrifice. On behalf of all of us and the law-abiding citizens of California we thank you for your participation.

### Line 69 – Lupus Foundation of America, California Chapters Fund

Contributions entered on line 69 will provide financial assistance to the California-based operating chapters of the Lupus Foundation of America. Funding will go for public education and research grants to find ways of combating and hopefully finding a cure for Lupus. Lupus itself is a chronic, autoimmune disease that causes the immune system to become hyperactive. The immune system loses its ability to distinguish between foreign substances and its own cells and tissues. The immune system directs antibodies against a lupus sufferer’s own body. This causes debilitating pain, organ failure, extreme exhaustion, skin rashes, fevers, hair loss, and even death. Approximately 200,000 Californians suffer from the disease; 90% of them are women.

### Line 70 – Asthma and Lung Disease Research Fund

Contributions entered on line 70 will support the American Lung Association of California’s scientific peer-reviewed research program that provide grants to develop and advance the understanding and causes of lung disease, the third leading cause of death. Find out more at: [www.californialung.org](http://www.californialung.org).

### Line 73 – Total Contributions

Add line 60 through line 70. Enter the result on line 73. If you show an amount on line 58, you must subtract the amount you contribute from the amount of overpaid tax. If you show an amount on line 59, you must add your total contributions to your tax due.

## Step 11 – Refund or Amount You Owe

Be sure to add or subtract correctly to figure the amount of your refund or the amount you owe.

### Line 74 – Refund or No Amount Due

If you did not enter an amount on line 73, enter the amount from line 58 on line 74. This is the amount that will be refunded to you. If it is less than \$1, you must attach a written statement to your Long Form 540NR requesting the refund. To have your refund directly deposited into your bank account, see Step 13, Direct Deposit (Refund Only) on page 26.

If you entered an amount on line 73, subtract it from the amount on line 58. If the result is zero or more, enter it on line 74. Then skip to the instructions for line 76.



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If the result is less than zero, your contributions are more than your overpaid tax available on line 58. In this case, do not enter an amount on line 74. Instead, enter the result on line 75 and see the instructions for line 75.

**Want a fast refund?** Get your refund in 10 days or less when you e-file your return!

### Line 75 – Amount You Owe

If you did not enter an amount on line 73, enter the amount from line 59 on line 75. This is the amount you owe with your Long Form 540NR.

If you entered an amount on line 73, add that amount to the amount on line 59. Enter the result on line 75. This is the amount you owe with your Long Form 540NR.

To avoid a late filing penalty, file your Long Form 540NR by the extended due date even if you cannot pay the amount you owe.

Do not combine your 2002 tax payment and any 2003 estimated tax payment in the same check. You must prepare two separate checks and mail each in a separate envelope.

**Paying by Check or Money Order** – Make your check or money order payable to the “Franchise Tax Board” for the full amount you owe. Do not send cash. Be sure to write your social security number and “2002 Long Form 540NR” on your check or money order. Attach your check or money order to your return. See page 5, Helpful Hints, “Assembling your return.” A penalty may be imposed if your check is returned by your bank for insufficient funds.

**Note:** If you enter an amount on line 76 or line 77, see the instructions for line 78 for information about how to prepare your check.

#### **Other Payment Options**

- **Electronic Funds Withdrawal** – Instead of paying by check you can use this convenient option if you e-file. Simply provide your bank information, amount you want to pay, and the date you want the balance due to be withdrawn from your account. Your tax preparation software will offer this option.
- **Credit Card** – You may use your Discover/NOVUS, Mastercard, Visa, or American Express card to pay your tax. If you pay by credit card, do not mail this voucher to us. Call (800) 272-9829 or visit our Website at [www.officialpayments.com](http://www.officialpayments.com), and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service.

**Paying by Credit Card** – Whether you e-file or file by mail, you can use your Discover/Novus, Mastercard, Visa, or American Express card to pay your personal income taxes (tax return balance due, extension payment, estimated tax payment, or tax due with bill notice). **There is a convenience fee for this service.** This fee is paid directly to Official Payments Corp. based on the amount of your tax payment.

#### **Convenience Fee**

- 2.5% of the tax amount charged (rounded to the nearest cent)
- Minimum fee: \$1

**Example:** Tax Payment = \$753.56 Convenience Fee = \$18.84

#### **When will my payments be effective?**

Your payment is effective on the date you charge it.

#### **What if I change my mind?**

If you pay your tax liability by credit card and later reverse the credit card transaction, you may be subject to penalties, interest, and other fees imposed by the Franchise Tax Board for nonpayment or late payment of your tax liability.

#### **How do I use my credit card to pay my income tax bill?**

Once you have determined the type of payment and how much you owe, you should have the following information ready:

- Your Discover/Novus, Mastercard, Visa, or American Express card
- Credit card number
- Expiration date
- Amount you are paying
- Your and your spouses' SSN
- First 4 letters of your and your spouses' last name
- Tax year
- Home phone number
- ZIP Code for address where your monthly credit card bill is sent
- FTB Jurisdiction Code: 1555

Go to the Official Payments Corp. Website ([www.officialpayments.com](http://www.officialpayments.com)) and select Payment Center, or use the toll free number at (800) 2PAY-TAX or (800) 272-9829. Follow the recorded instructions. Official Payments Corp. will tell you the convenience fee before you complete your transaction. You can decide whether to complete the transaction at that time.

Payment Date : \_\_\_\_\_ Confirmation Number: \_\_\_\_\_

If you cannot pay the full amount shown on line 75 with your return, you may request monthly payments. See page 27, Question 4.

## **Step 12 – Interest & Penalties**

If you file your return or pay your tax after the original due date, you may owe interest and penalties on the tax due.

**Note:** Do not reduce the amount on line 56 or increase the amount on line 59 by any penalty or interest amounts.

### **Line 76 – Interest and Penalties**

Enter on line 76 the amount of interest and penalties.

**Interest.** Interest will be charged on any late filing or late payment penalty from the original due date of the return to the date paid. In addition, if other penalties are not paid within 15 days, interest will be charged from the date of the billing notice until the date of payment. Interest compounds daily and the interest rate is adjusted twice a year.

**Late Filing of Return.** The maximum total penalty is 25% of the tax not paid if the return is filed after October 15, 2003. The minimum penalty for filing a return more than 60 days late is \$100 or 100% of the balance of tax due, whichever is less.

**Late Payment of Tax.** The penalty is 5% of the tax not paid when due plus 1/2% for each month, or part of a month, the tax remains unpaid.

**Other Penalties.** Other penalties can be imposed for a check returned for insufficient funds, negligence, substantial understatement of tax, and fraud.

### **Line 77 – Underpayment of Estimated Tax**

If line 59 is \$200 (\$100 if married filing separately) or more **and** more than 20% of the tax shown on line 43 (excluding the tax on lump-sum distributions on line 26), **or** you underpaid your 2002 estimated tax liability for any payment period, you may owe a penalty.

The Franchise Tax Board can figure the penalty for you when you file your return and send you a bill. Or, to see if you owe any penalty and to figure the amount of the penalty, get form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries (or form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen). If you complete one of these forms, enter the amount of the penalty on line 77 and fill in the correct circle on line 77. You must complete and attach the form if you claim a waiver, use the annualized income installment method, or pay tax according to the schedule for farmers and fishermen, even if you do not owe a penalty.

See “Important due dates” on page 6 for more information on how to avoid the penalty.

**Note:** There will be a waiver of penalties imposed for the underpayment of tax with respect to any law enacted during the 2002 tax year. To request a waiver of underpayment of estimated tax penalty, see form FTB 5805, Underpayment of Estimated tax by individuals.

### **Line 78 – Total Amount Due**

Is there an amount on line 75?

**Yes** Add line 75, line 76, and line 77. Enter the result here and make your check or money order for this amount.

**No** Go to the next question.

Is there an amount on line 74?

**Yes** Add line 76 and line 77. If the result is:

- Less than line 74, your refund will be reduced by this amount when your return is processed. Do not enter an amount on line 78.
- More than line 74, subtract line 74 from it and enter the result. Make your check or money order for this amount.

**No** Add line 76 and line 77, enter the result, and make your check or money order for this amount.

## Line 79 – 2003 Tax Forms

If your Long Form 540NR is prepared by someone else, or if you do not need forms mailed to you next year, fill in the circle on line 79.

## Step 13 — Direct Deposit (Refund Only)

It's fast, safe, and convenient to have your refund directly deposited into your bank account.

The following illustration shows which bank numbers to transfer to the preprinted boxes on Long Form 540NR, Side 2, Step 13.



Do not use a deposit slip to find the bank numbers. Contact your financial institution for assistance in getting the correct routing number.

**Caution:** Do not attach a voided check or deposit slip to your return.

John Doe  
Mary Doe  
1234 Main Street  
Anytown, CA 99999

PAY TO THE ORDER OF \$ 1234.00

ANYTOWN BANK  
Anytown, CA 99999

For 1500000000 1234

Routing number: 1500000000  
Account number: 1234

Do not include the check number

**Note:** The Franchise Tax Board is not responsible when a financial institution rejects a direct deposit. If the bank or financial institution rejects the direct deposit due to an error in the routing number, the Franchise Tax Board will issue a paper check.

## Sign Your Return

You must sign your return in the space provided on Side 2. If you file a joint return, your spouse must sign it also.

**Joint Return.** If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other spouse may have to pay the tax due. See Innocent Spouse Relief, on page 57.

**Paid Preparer's Information.** If you pay a person to prepare your Long Form 540NR, that person must sign and complete the area at the bottom of Side 2 including an identification number (social security number, FEIN, or PTIN). A paid preparer must give you two copies of your return: one to file with the Franchise Tax Board, and one to keep for your records.

**Power of Attorney.** Although another person may have prepared your return, he or she is not automatically granted access to your tax information in future dealings with us. At some point, you may wish to designate someone to act on your behalf in matters related or unrelated to this tax return (e.g., an audit examination). To protect your privacy, you must submit to us a legal document called a "Power of Attorney" authorizing another person to discuss or receive personal information about your income tax records.

For more information, get form FTB 1144 (pamphlet) and FTB 3520 (POA form), available at [www.ftb.ca.gov](http://www.ftb.ca.gov).

**Check Your Social Security Number(s).** Make sure that you have written your social security number(s) in the spaces provided at the top of Long Form 540NR in "Step 1a." Make sure they are entered in the same order as both names.

**Form(s) W-2, W-2G, and 1099:** Make sure to staple all the Form(s) W-2 and W-2G you received to the front of your return where it says "Attach copy of your Form(s) W-2 and W-2G". Also, attach any Form(s) 1099 showing California income tax withheld such as "backup withholding" on dividends and interest income.

If you cannot get a copy of your Form W-2, you must complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. See "Order Forms and Publications" on page 60.

If you forget to send your Form(s) W-2 with your income tax return, do not send it separately. Wait until the Franchise Tax Board requests it from you.

**Important:** You must attach a copy of your federal income tax return, and all supporting federal forms and schedules to Long Form 540NR.

See page 5, Helpful Hints, "Assembling your return" for more information.

## Mailing Addresses

**If you have a refund,** or if you have no amount due, mail your return to:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0002

**If you owe,** mail your return to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001



# Frequently Asked Questions

(Go to [www.ftb.ca.gov](http://www.ftb.ca.gov) for more frequently asked questions)

## 1. What if I can't file by April 15, 2003, and I think I owe tax?

You must pay 100% of the amount you owe by April 15, 2003, to avoid interest and penalties. If you cannot file because you have not received all your Form(s) W-2, estimate the amount of tax you owe by completing form FTB 3519, Payment Voucher for Automatic Extension for Individuals on page 49. Mail it to the FTB with your payment by April 15, 2003. Then, when you receive all your Form(s) W-2, complete and mail your return by October 15, 2003 (you must use Long Form 540NR).

## 2. I never received a Form W-2. What should I do?



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If you do not receive all your Forms W-2 by January 31, 2003, contact your employer. Only your employer can issue or correct a Form W-2. For more information, call (800) 338-0505, select personal income tax, then general information, and enter code 204 when instructed.

If you cannot get a copy of your Form W-2, you must complete form FTB 3525, Substitute for Form W-2, Wage and Tax Statement, or Profit Sharing Plans, IRAs, Insurance Contract, etc. "Order Forms and Publications" on page 60.

## 3. How can I get help?

There are more than 1,500 sites throughout California where trained volunteers provide free help during the tax filing season to persons who need to file simple federal and state income tax returns. Many military bases also provide this service for members of the U.S. Armed Forces. From January 2 through April 15, a list of locations is available on our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) or you may call the FTB at (800) 852-5711 to find a location near you.

## 4. What do I do if I can't pay what I owe with my 2002 return?



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Pay as much as you can when you file your return. If you cannot pay your tax in full with your return, you can request monthly payments. However, you will be charged interest and may be charged an underpayment penalty on the tax not paid by April 15, 2003, even if your request to pay in installments is approved. To make monthly payments, complete form FTB 3567, Installment Agreement Request, and mail it to the address on the form. Do not mail it with your return.

The Installment Agreement Request might not be processed and approved until after your return is processed, and you may receive a bill before you receive approval of your request.

To order this form by phone, call (800) 338-0505, select personal income tax, then select order forms and publications, and enter code 949. Or, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov)

**Note:** You can also pay by credit card. See page 59.

## 5. How long will it take to get my refund?



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If you file electronically, you will get the fastest possible refund. Your refund check will be in the mail within 7 to 10 calendar days (or if you request direct deposit, the refund will post to your bank account within 5 to 7 banking days) from the time the FTB receives your electronic return. For more information about electronic filing, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) or call (800) 338-0505, select personal income tax, then select general information, and enter code 112 when instructed.

If you do not electronically file your return, you should receive your refund check, or if you request direct deposit the refund should post to your account, within 6 to 8 weeks after you file your return.

## 6. I expected my refund by now. How can I check on the status?

You can check on the status of your refund over the Internet. Go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov)

You can also call our automated phone service. See page xx.

## 7. I discovered an error on my tax return. What should I do?

If you discover that you made an error on your California income tax return after you filed it, use Form 540X, Amended Individual Income Tax Return, to correct your return. See "Order Forms and Publications" on page 60.

## 8. The Internal Revenue Service (IRS) made changes to my federal return. What should I do?

If your federal income tax return is examined and changed by the IRS and you owe additional tax, you must report these changes to the FTB within six months of the date of the final federal determination. If the changes made by IRS result in a refund due for California, you must claim a refund within two years of the date of the final federal determination. You may either use Form 540X to correct the California income tax return you already filed, or you may send a copy of the federal changes to:

ATTN RAR/VOL, AUDIT SECTION  
FRANCHISE TAX BOARD  
PO BOX 1673  
SACRAMENTO CA 95812-1673

Regardless of which method you use to notify the FTB, you must include a copy of the final federal determination along with all data and schedules on which the federal adjustment was based. Get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California, for more information. See "Order Forms and Publications" on page 60.

**Note:** You do not have to file Form 540X if the changes do not affect your California tax liability.

## 9. How long should I keep my tax information?

We may request information from you regarding your California income tax return within the California statute of limitations period, which is usually the later of four years from the due date of the return or four years from the date the return is filed. (Exception: An extended statute of limitations period may apply for California or federal tax returns that are related to or subject to a federal audit.)

Keep a copy of your return and the records that verify the income, deductions, adjustments, or credits reported on your return. Some records should be kept longer. For example, keep property records as long as they are needed to figure the basis of the property.

## 10. I will be moving after I file my return. How do I notify the FTB of my new address?

You can notify the FTB of your new address by using form FTB 3533, Change of Address. This form is available on our Website ([www.ftb.ca.gov](http://www.ftb.ca.gov)) as a fillable form or you may call (800) 852-5711 and select option 5 to report a change of address.

After filing your return, you should report a change of address to us for up to 4 years, especially if you leave the state and no longer have a requirement to file a California return.

**New Voluntary Contributions Fund** – You may make voluntary contributions to the Asthma and Lung Disease Research Fund.

#### **New Federal Conformity Items**

- California now treats a C corporation as an S corporation if it is also an S corporation for federal purposes. Therefore, the difference in estimated tax payments based on C corporation status to S corporation status should be reported on Form 540 line 39 and Long Form 540NR, line 49. In addition, taxpayers must include a statement received from the corporation showing the date(s) and amount(s) of payments made on their behalf.
- Disallowance of club dues.
- Disallowance of lobbying and political expenses.
- California has conformed to the Victims of Terrorism Tax Relief Act of 2001 to allow victims who have died as a result of the terrorist attacks of September 11, 2001, the anthrax incidents in 2001, as well as the Oklahoma City bombing that occurred on April 19, 1995, a forgiveness of their state tax liability for the year immediately preceding the incident and all subsequent tax years until the date of death. This will result in a forgiveness of tax liability for tax years 2000 and 2001 for victims of the September 11, 2001 or anthrax incidents, and a forgiveness for tax years 1994 and 1995 for the Oklahoma city bombing victims. For more information, get Form 540X, Amended Individual Income Tax Return and instructions. In addition, with respect to either a declared disaster or terroristic or military action occurring on or after September 11, 2001, you may receive an extension of up to one year to file a tax return and/or make estimated tax payments.

#### **Head of Household Filing Status**

For information, get FTB Pub. 1540, Tax Information for Head of Household Filing Status.

#### **Check Out Your Tax Preparer**

The California Board of Accountancy (CBA) licenses and regulates individual Certified Public Accountants and Public Accountants, as well as accountancy firms and corporations, in California.

If you currently use or are thinking about using a Certified Public Accountant or Public Accountant for tax preparation or other services, the California Board of Accountancy can:

- Verify online or by telephone that the CPA, PA, or firm has a current license to practice.
- Provide information about any disciplinary actions taken against the licensee.
- Answer your questions about whether a particular service or activity of a licensee is regulated by the CBA.
- Provide you with the information and forms to file a complaint against an individual or business regulated by the CBA. Complaints can be submitted online, by mail, facsimile, or at the Board office.

Web: [www.cba.ca.gov](http://www.cba.ca.gov)  
E-mail: [enforcementinfo.cba.ca.gov](mailto:enforcementinfo.cba.ca.gov)  
Telephone: (916) 263-3680  
Fax: (916) 263-3675  
Mail: California Board of Accountancy  
2000 Evergreen Street, Suite 250  
Sacramento, CA 95815

Enrolled Agents are professional tax practitioners who are enrolled to represent taxpayers before the Internal Revenue Service. Enrolled Agents are licensed by the federal government. Questions or complaints about Enrolled Agents in the state of California should be directed to the Director of Practice at (313) 234-1280, or to the California society of Enrolled Agents at (800) 777-2732.

#### **Tax Form Changes**

- The Short Form 540NR has been revised to add three additional percentage calculations.
- The Long Form 540NR has been revised to add two additional percentage calculations.
- A worksheet has been added to the Schedule CA (540NR) instructions for part-year residents and nonresidents.
- A worksheet has been added to the Schedule D instructions for part-year residents and nonresidents to help calculate the correct amount of loss carryovers.

# California Nonresident or Part-Year Resident Income Tax Return 2002

Long Form

FORM

540NR

Fiscal year filers only: Enter month of year end: month \_\_\_\_\_ year 2003.

## Step 1

Place label here or print

Name and Address

Your first name	Initial	Last name	PBA Code	
If joint return, spouse's first name	Initial	Last name		
Present home address — number and street, PO Box, or rural route			Apt. no.	PMB no.
City, town, or post office			State	ZIP Code

## Step 1a

SSN

Your social security number

--	--	--	--	--	--	--	--	--	--

Spouse's social security number

--	--	--	--	--	--	--	--	--	--

### IMPORTANT:

Your social security number is required.

## Step 2

### Filing Status

Fill in only one.

- 1 ☐ Single
- 2 ☐ Married filing jointly (even if only one spouse had income)
- 3 ☐ Married filing separately. Enter spouse's social security number above and full name here \_\_\_\_\_
- 4 ☐ Head of household (with qualifying person). STOP. See instructions.
- 5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died \_\_\_\_\_

## Step 3

### Exemptions

Attach check or money order here.

- 6 If your parent (or someone else) can claim you (or your spouse, if married) as a dependent on his or her tax return, even if he or she chooses not to, fill in this circle ..... ● 6 ☐
- For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line.
- 7 **Personal:** If you filled in 1, 3, or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2 in the box. If you filled in the circle on line 6, see instructions ..... 7 ☐ X \$80 = \$ \_\_\_\_\_
- 8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 ..... 8 ☐ X \$80 = \$ \_\_\_\_\_
- 9 **Senior:** If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 ..... ● 9 ☐ X \$80 = \$ \_\_\_\_\_
- 10 **Dependents:** Enter name and relationship. **Do not include yourself or your spouse.** \_\_\_\_\_ Total dependent exemptions ..... ● 10 ☐ X \$251 = \$ \_\_\_\_\_
- 11 Add line 7 through line 10. This is your total exemption amount ..... 11 **Total** \$ \_\_\_\_\_

## Step 4

### Total Taxable Income

#### Standard Deduction

Single or Married filing separately, \$3,004

Married filing jointly, Head of household, or Qualifying widow(er), \$6,008

- 12 Total California wages from all your Form(s) W-2, box 16 ..... ● 12 \_\_\_\_\_
- 13 Enter federal adjusted gross income from Form 1040, line 35; Form 1040A, line 21; Form 1040EZ, line 4; TeleFile Tax Record, line I; Form 1040NR, line 34; or Form 1040NR-EZ, line 10 ..... 13 \_\_\_\_\_
- 14 California adjustments — subtractions. Enter the amount from Schedule CA (540NR), line 35, column B .. ● 14 \_\_\_\_\_
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See page 18 ..... 15 \_\_\_\_\_
- 16 California adjustments — additions. Enter the amount from Schedule CA (540NR), line 35, column C ..... ● 16 \_\_\_\_\_
- 17 Adjusted gross income from all sources. Combine line 15 and line 16 ..... ● 17 \_\_\_\_\_
- 18 Enter the **larger of:** Your California **itemized deductions** from Schedule CA (540NR), line 42; **OR** Your California **standard deduction** (see left margin). See page 18 ..... ● 18 \_\_\_\_\_
- 19 Subtract line 18 from line 17. This is your **total taxable income**. If less than zero, enter -0- ..... 19 \_\_\_\_\_

## Step 5

### California Taxable Income

Attach copy of your Form(s) W-2, W-2G, 592-B, 594, and 597. Also, attach any Form(s) 1099 showing California tax withheld.

- 20 Tax on the amount shown on line 19. Fill in the circle if from:  
☐ Tax Table ☐ Tax Rate Schedule ☐ FTB 3800 or ☐ FTB 3803 ..... ● 20 \_\_\_\_\_
- Caution:** If under age 14 and you have more than \$1,500 of investment income. See instructions.
- 21 CA adjusted gross income from Schedule CA (540NR), Part IV, line 43 ..... ● 21 \_\_\_\_\_
- 22 CA Taxable Income from Schedule CA (540NR), Part IV, line 47 ..... ● 22 \_\_\_\_\_
- 23 CA Tax Rate. Divide line 20 by line 19 ..... 23 \_\_\_\_\_
- 24 CA Tax Before Exemption Credits. Multiply line 22 by line 23 ..... 24 \_\_\_\_\_
- 25a CA Exemption Credit Percentage. Divide line 22 by line 19. If more than 1, enter 1.0000 ..... 25a \_\_\_\_\_
- 25b CA Prorated Exemption Credits. If the amount on line 13 is more than \$132,793, see page 19. Otherwise, multiply line 11 by line 25a ..... 25b \_\_\_\_\_
- 25c CA Regular Tax Before Credits. Subtract line 25b from line 24 ..... 25c \_\_\_\_\_
- 26 Tax. Fill in circle if from: ☐ Schedule G-1, Tax on Lump-Sum Distributions ☐ Form FTB 5870A, Tax on Accumulation Distribution of Trusts ..... ● 26 \_\_\_\_\_
- 27 Add line 25c and line 26. Continue to Side 2 ..... ● 27 \_\_\_\_\_

## Step 6

Your name: \_\_\_\_\_

Your SSN: \_\_\_\_\_

### Special Credits and Nonrefundable Renter's Credit

28	Amount from Side 1, line 27	28
31	Credit for joint custody head of household. See page 20	31
32	Credit for dependent parent. See page 20	32
33	Credit for senior head of household. See page 20	33
34	Credit for long-term care. See instructions	34
36	Credit percentage and credit amount. See instructions. Credit percentage 36a	36
37	Enter credit name _____ code no _____ and amount	37
38	Enter credit name _____ code no _____ and amount	38
39	To claim more than two credits, see page 20	39
40	Nonrefundable renter's credit. See instructions for "Step 6"	40
42	Add line 36 through line 40. These are your total credits	42
43	Subtract line 42 from line 28. If less than zero, enter -0-	43

## Step 7

### Other Taxes

44	Alternative minimum tax. Attach Schedule P (540NR)	44
45	Other taxes and credit recapture. See instructions	45
46	Add line 43 through line 45. This is your total tax	46

## Step 8

### Payments

47	California income tax withheld. See instructions	47
48	Nonresident withholding (Form(s) 592-B, 594, and 597). See page 21	48
49	2002 CA estimated tax and other payments. See page 21	49
50	Excess SDI. See page 23	50

**Child and Dependent Care Expenses Credit.** See page 23; attach form FTB 3506.

51		52	
53		54	
55	Add line 47, line 48, line 49, line 50, and line 54. These are your total payments	55	

## Step 9

### Overpaid Tax or Tax Due

56	Overpaid tax. If line 55 is more than line 46, subtract line 46 from line 55	56
57	Amount of line 56 you want applied to your 2003 estimated tax	57
58	Overpaid tax available this year. Subtract line 57 from line 56	58
59	Tax due. If line 55 is less than line 46, subtract line 55 from line 46	59

## Step 10

### Contributions

CA Seniors Special Fund. See instructions	60	00	CA Breast Cancer Research Fund	65	00
Alzheimer's Disease/Related Disorders Fund	61	00	CA Firefighters' Memorial Fund	66	00
CA Fund for Senior Citizens	62	00	Emergency Food Assistance Program Fund	67	00
Rare and Endangered Species Preservation Program	63	00	CA Peace Officer Memorial Foundation Fund	68	00
State Children's Trust Fund for the Prevention of Child Abuse	64	00	Lupus Foundation of America, California Chapters Fund	69	00
			Asthma and Lung Disease Research Fund	70	00
73	Add line 60 through line 70. These are your total contributions	73			

## Step 11

### Refund or Amount You Owe

74	REFUND OR NO AMOUNT DUE. Subtract line 73 from line 58. Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002	74
75	AMOUNT YOU OWE. Add line 59 and line 73. See page 24. Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001	75

## Step 12

### Interest and Penalties

76	Interest, late return penalties, and late payment penalties	76
77	Underpayment of estimated tax. Fill in circle: <input type="radio"/> FTB 5805 attached <input type="radio"/> FTB 5805F attached	77
78	Total amount due. See page 25	78
79	If you <b>do not</b> need California income tax forms mailed to you next year, fill in the circle	79 <input type="radio"/>

## Step 13

### Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip.  
Fill in the boxes to have your refund directly deposited. Routing number

Account Type: Checking ☐ Savings ☐ Account number

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. 3

## Sign Here

Your signature  Daytime phone number (optional) (  )

X Spouse's signature (if filing jointly, both must sign)

It is unlawful to forge a spouse's signature.

X Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) Date

Paid Preparer's SSN/PTIN

Joint return? See instructions.

Firm's name (or yours if self-employed) Firm's address FEIN

# California Nonresident or Part-Year Resident Income Tax Return 2002

Long Form

FORM

540NR

Fiscal year filers only: Enter month of year end: month \_\_\_\_\_ year 2003.

## Step 1

Place label here or print

Name and Address

Your first name	Initial	Last name	PBA Code	
If joint return, spouse's first name	Initial	Last name		
Present home address — number and street, PO Box, or rural route			Apt. no.	PMB no.
City, town, or post office			State	ZIP Code

## Step 1a

SSN

Your social security number

--	--	--	--	--	--	--	--	--	--

Spouse's social security number

--	--	--	--	--	--	--	--	--	--

### IMPORTANT:

Your social security number is required.

## Step 2

### Filing Status

Fill in only one.

- 1 ☐ Single
- 2 ☐ Married filing jointly (even if only one spouse had income)
- 3 ☐ Married filing separately. Enter spouse's social security number above and full name here \_\_\_\_\_
- 4 ☐ Head of household (with qualifying person). STOP. See instructions.
- 5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died \_\_\_\_\_

## Step 3

### Exemptions

Attach check or money order here.

- 6 If your parent (or someone else) can claim you (or your spouse, if married) as a dependent on his or her tax return, even if he or she chooses not to, fill in this circle ..... ● 6 ☐
- 7 **Personal:** If you filled in 1, 3, or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2 in the box. If you filled in the circle on line 6, see instructions ..... 7 ☐ X \$80 = \$ \_\_\_\_\_
- 8 **Blind:** If you (or if married, your spouse) are visually impaired, enter 1; if both, enter 2 ..... 8 ☐ X \$80 = \$ \_\_\_\_\_
- 9 **Senior:** If you (or if married, your spouse) are 65 or older, enter 1; if both, enter 2 ..... ● 9 ☐ X \$80 = \$ \_\_\_\_\_
- 10 **Dependents:** Enter name and relationship. **Do not include yourself or your spouse.**  
\_\_\_\_\_  
\_\_\_\_\_ Total dependent exemptions ..... ● 10 ☐ X \$251 = \$ \_\_\_\_\_
- 11 Add line 7 through line 10. This is your total exemption amount ..... 11 Total \$ \_\_\_\_\_

## Step 4

### Total Taxable Income

#### Standard Deduction

Single or Married filing separately, \$3,004

Married filing jointly, Head of household, or Qualifying widow(er), \$6,008

- 12 Total California wages from all your Form(s) W-2, box 16 ..... ● 12 \_\_\_\_\_
- 13 Enter federal adjusted gross income from Form 1040, line 35; Form 1040A, line 21; Form 1040EZ, line 4; TeleFile Tax Record, line I; Form 1040NR, line 34; or Form 1040NR-EZ, line 10 ..... 13 \_\_\_\_\_
- 14 California adjustments — subtractions. Enter the amount from Schedule CA (540NR), line 35, column B .. ● 14 \_\_\_\_\_
- 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See page 18 ..... 15 \_\_\_\_\_
- 16 California adjustments — additions. Enter the amount from Schedule CA (540NR), line 35, column C ..... ● 16 \_\_\_\_\_
- 17 Adjusted gross income from all sources. Combine line 15 and line 16 ..... ● 17 \_\_\_\_\_
- 18 Enter the **larger of:** Your California **itemized deductions** from Schedule CA (540NR), line 42; **OR** Your California **standard deduction** (see left margin). See page 18 ..... ● 18 \_\_\_\_\_
- 19 Subtract line 18 from line 17. This is your **total taxable income**. If less than zero, enter -0- ..... 19 \_\_\_\_\_

## Step 5

### California Taxable Income

Attach copy of your Form(s) W-2, W-2G, 592-B, 594, and 597. Also, attach any Form(s) 1099 showing California tax withheld.

- 20 Tax on the amount shown on line 19. Fill in the circle if from:  
☐ Tax Table ☐ Tax Rate Schedule ☐ FTB 3800 or ☐ FTB 3803 ..... ● 20 \_\_\_\_\_  
**Caution:** If under age 14 and you have more than \$1,500 of investment income. See instructions.
- 21 CA adjusted gross income from Schedule CA (540NR), Part IV, line 43 ..... ● 21 \_\_\_\_\_
- 22 CA Taxable Income from Schedule CA (540NR), Part IV, line 47 ..... ● 22 \_\_\_\_\_
- 23 CA Tax Rate. Divide line 20 by line 19 ..... 23 \_\_\_\_\_
- 24 CA Tax Before Exemption Credits. Multiply line 22 by line 23 ..... 24 \_\_\_\_\_
- 25a CA Exemption Credit Percentage. Divide line 22 by line 19. If more than 1, enter 1.0000 ..... 25a \_\_\_\_\_
- 25b CA Prorated Exemption Credits. If the amount on line 13 is more than \$132,793, see page 19.  
Otherwise, multiply line 11 by line 25a ..... 25b \_\_\_\_\_
- 25c CA Regular Tax Before Credits. Subtract line 25b from line 24 ..... 25c \_\_\_\_\_
- 26 Tax. Fill in circle if from: ☐ Schedule G-1, Tax on Lump-Sum Distributions  
☐ Form FTB 5870A, Tax on Accumulation Distribution of Trusts ..... ● 26 \_\_\_\_\_
- 27 Add line 25c and line 26. Continue to Side 2 ..... ● 27 \_\_\_\_\_

## Step 6

Your name: \_\_\_\_\_

Your SSN: \_\_\_\_\_

### Special Credits and Nonrefundable Renter's Credit

28	Amount from Side 1, line 27	28
31	Credit for joint custody head of household. See page 20	31
32	Credit for dependent parent. See page 20	32
33	Credit for senior head of household. See page 20	33
34	Credit for long-term care. See instructions	34
36	Credit percentage and credit amount. See instructions. Credit percentage 36a	36
37	Enter credit name _____ code no _____ and amount	37
38	Enter credit name _____ code no _____ and amount	38
39	To claim more than two credits, see page 20	39
40	Nonrefundable renter's credit. See instructions for "Step 6"	40
42	Add line 36 through line 40. These are your total credits	42
43	Subtract line 42 from line 28. If less than zero, enter -0-	43

## Step 7

### Other Taxes

44	Alternative minimum tax. Attach Schedule P (540NR)	44
45	Other taxes and credit recapture. See instructions	45
46	Add line 43 through line 45. This is your total tax	46

## Step 8

### Payments

47	California income tax withheld. See instructions	47
48	Nonresident withholding (Form(s) 592-B, 594, and 597). See page 21	48
49	2002 CA estimated tax and other payments. See page 21	49
50	Excess SDI. See page 23	50

**Child and Dependent Care Expenses Credit.** See page 23; attach form FTB 3506.

51		52	
53		54	
55	Add line 47, line 48, line 49, line 50, and line 54. These are your total payments	55	

## Step 9

### Overpaid Tax or Tax Due

56	Overpaid tax. If line 55 is more than line 46, subtract line 46 from line 55	56
57	Amount of line 56 you want applied to your 2003 estimated tax	57
58	Overpaid tax available this year. Subtract line 57 from line 56	58
59	Tax due. If line 55 is less than line 46, subtract line 55 from line 46	59

## Step 10

### Contributions

CA Seniors Special Fund. See instructions	60	00	CA Breast Cancer Research Fund	65	00
Alzheimer's Disease/Related Disorders Fund	61	00	CA Firefighters' Memorial Fund	66	00
CA Fund for Senior Citizens	62	00	Emergency Food Assistance Program Fund	67	00
Rare and Endangered Species Preservation Program	63	00	CA Peace Officer Memorial Foundation Fund	68	00
State Children's Trust Fund for the Prevention of Child Abuse	64	00	Lupus Foundation of America, California Chapters Fund	69	00
			Asthma and Lung Disease Research Fund	70	00
73	Add line 60 through line 70. These are your total contributions	73			

## Step 11

### Refund or Amount You Owe

74	REFUND OR NO AMOUNT DUE. Subtract line 73 from line 58. Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002	74
75	AMOUNT YOU OWE. Add line 59 and line 73. See page 24. Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001	75

## Step 12

### Interest and Penalties

76	Interest, late return penalties, and late payment penalties	76
77	Underpayment of estimated tax. Fill in circle: <input type="radio"/> FTB 5805 attached <input type="radio"/> FTB 5805F attached	77
78	Total amount due. See page 25	78
79	If you <b>do not</b> need California income tax forms mailed to you next year, fill in the circle	79 <input type="radio"/>

## Step 13

### Direct Deposit (Refund Only)

Do not attach a voided check or a deposit slip.  
Fill in the boxes to have your refund directly deposited. Routing number

Account Type: ☐ Checking ☐ Savings Account number

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. 3

## Sign Here

Your signature  Daytime phone number (optional) (  )

X Spouse's signature (if filing jointly, both must sign)

It is unlawful to forge a spouse's signature.

X Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) Date

Paid Preparer's SSN/PTIN

Joint return? See instructions.

Firm's name (or yours if self-employed) Firm's address FEIN



# Instructions for Schedule CA (540NR)

These instructions are based on the Internal Revenue Code (IRC) as of **January 1, 2001**, and the California Revenue and Taxation Code (R&TC).

## General Information

### Differences Between California and Federal Law

In general, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2001. Therefore, California has conformed to the income tax changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206), the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277), the Surface Transportation Revenue Act of 1998 (Public Law 105-178), the Ricky Ray Hemophilia Relief Fund Act of 1998 (Public Law 105-369), the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170), the Miscellaneous Trade and Technical Corrections Act of 1999 (Public Law 106-36), the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 (Public Law 106-519), the Consolidated Appropriations Act of 2001 (Public Law 106-554), and to technical corrections made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16). However, there are continuing differences between California and Federal law. California has not conformed to some of the law changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) or the federal Job Creation and Worker Assistance Act of 2002 (Public Law 107-147).

### New differences between California and federal law for 2002.

California law does not conform to federal law for:

- Rebates or vouchers received from a local water agency, energy agency, or energy supplier. This includes a rebate, voucher, or other financial incentive from the California Energy Commission, the Public Utility Commission, or a local publicly owned electric utility company for any expenses paid or incurred by a taxpayer for the purchase or installation of a thermal, solar, wind energy fuel generating system.
- Interest deduction allowed for interest paid on any loan or indebtedness from a utility company to purchase energy efficient equipment and products for California residents.
- Net Operating Losses - Pierce's Disease.
- The additional 30% first year depreciation allowance for qualified property.
- Educator Expense or the Tuition and Fees deduction.
- Student loan interest deduction for interest when the loan exceeds 60 months or 5 years
- Clean Air Fuel first year use deduction. Report this adjustment on line 34, Column B as part of your total subtractions.

**Note:** Net Operating Losses have been suspended for 2002 and 2003.

California law is the same as federal law in the following areas:

IRC Section 179 expense deduction. The maximum deduction amount is \$24,000 for 2002.

Self-employed health insurance deduction. The percentage for 2002 is 70%.

Roth IRAs. The contribution rules and distribution rules follow federal law.

**Holocaust Restitution Payments** – An exclusion is provided for holocaust reparations received by an eligible individual, their heirs or estate for holocaust restitution payments, distributions or excludable trust.

## Purpose

Use this schedule to determine your California taxable income by doing the following:

- Enter the amounts of income and deductions reported on your federal income tax return.
- Adjust the income and deductions reported on the federal return for differences in California and federal law.
- Determine the portion of income reported on your federal return that was earned or received while you were a California resident.
- Determine the portion of income reported on your federal return that was earned or received from California sources while you were a nonresident.
- Determine your allowable standard deduction or itemized deductions.

**Part-Year Residents** – Complete the Part-Year Resident Worksheet to determine the amounts to enter on line 7 through line 22a, column E.

### Avoid common mistakes on this schedule.

**Column A** – Copy the amounts from your federal return. Note: On lines 15, 16, and 20, use the line (b) amounts from your federal return. Line 35 should equal Long Form 540NR, line 13 federal Agi.

**Column B (line 7 - line 21)** – Subtract income that is not taxable to a California resident such as California lottery winnings and social security benefits. **Do not use column B to deduct** income that was earned while a nonresident of California or from sources outside of California. There **must** be a difference in tax law. Generally, if a California resident cannot subtract the income in column B, a nonresident or part-year resident may not subtract the income in column B either.

**Column C (line 7 - line 21)** – Add income that was not taxed on your federal return but is taxable to a California resident such as foreign income or interest/dividends from non-California municipal bonds.

**Column D** – Combine the columns (column A - column B + column C). Line 35 should equal Long Form 540NR, line 17.

**Column E** – Enter all income from all sources while you were a resident of California and income from California sources while you were a nonresident. Enter on line 43 the amount from Schedule CA (540NR), line 35.

## Specific Line Instructions for PART I Residency Information

Answer all the questions in this part for you and your spouse. If a question does not apply, enter "N/A" on the line for the answer. For more information get:

- FTB Pub. 1031, Guidelines for Determining Resident Status; and
- FTB Pub. 1032, Tax Information for Military Personnel

### Line 1 – Domicile and military

If you served in the military, your state of domicile is generally the state where you were living when you first entered military service. If you were not in the military, your domicile is the place you consider your permanent home, the place to which you, whenever absent, intend to return.

### Line 5 – The number of days I spent in California

The total number of days in California should include all days in California for any purpose including residency, business, and vacation.

## Specific Line Instructions for PART II Income Adjustment Schedule

### Column A — Federal Amounts

Enter all taxable amounts shown on your federal return on the corresponding lines in column A.

If you are married filing separately under either exception described in the instructions for Long Form 540NR, enter in column A the amounts you would have reported on a separate federal return. Attach a statement to the return showing how the income and expenses were split between you and your spouse.

### Line 7 through Line 21

Enter on line 7 through line 21 the same amounts you entered on federal Form 1040, line 7 through line 21; Form 1040A, line 7 through line 14b; Form 1040EZ, line 1, line 2, and line 3; or Form 1040NR, line 8 through line 21 for the same types of income.

Also enter the following if applicable:

- The total IRA distribution received on line 15(a);
- The total pension or annuity distribution received on line 16(a); and
- The total social security retirement benefit received on line 20(a).

If you used Form 1040A, refer to line 11a, line 12a, and line 14a. If you used Form 1040NR, refer to line 16a and line 17a.

### Line 22a – Total

Combine the amounts on line 7 through line 21. Enter the total on line 22a. This number should be the same as the amount on federal Form 1040, line 22; Form 1040A, line 15; Form 1040EZ, line 4; or Form 1040NR, line 23.

### Line 22b – Balance Carried Forward

Enter on line 22b the total from Side 1, line 22a, column A.

### Line 23 through Line 32

Enter the same amounts you entered on federal Form 1040, line 23 through line 32; Form 1040A, line 16 through line 19; or Form 1040NR, line 24 through line 31.

### Line 33a and Line 33b

Enter on line 33a the same amount you entered on federal Form 1040, line 33a. Enter on line 33b the social security number and full name of the person to whom you paid alimony.

### Line 34

Add line 23 through line 33a. This amount should be the same as the amount on federal Form 1040, line 34; Form 1040A, line 20; or Form 1040NR, line 33. However, if you made any of the adjustments described in the instructions for federal Form 1040, line 34, or if you claimed the foreign housing deduction from federal Form 2555, Foreign Earned Income, or Form 2555-EZ, Foreign Earned Income Exclusion, enter the amount from Form 1040, line 34 on this line.

If you used Form 1040NR and reported an amount on Form 1040NR, line 32 for excluded scholarship and fellowship grants, enter the amount from Form 1040NR, line 33 on this line.

#### Line 35 – Total

Subtract line 34 from line 22b. This amount should be the same as the amount on Long Form 540NR, line 13; federal Form 1040, line 35; Form 1040A, line 21; Form 1040EZ, line 4; or Form 1040NR, line 34.

## Column B and Column C — Subtractions and Additions

Use these columns to enter subtractions and additions to federal amounts in column A that are necessary because of the differences between California and federal law. Enter all amounts on line 7 through line 34 as positive numbers.

**Do not deduct** income that was earned while you were a nonresident of California or from sources outside of California. There **must** be a difference in tax law. Generally, if a California resident cannot subtract the income in column B, a nonresident or part-year resident may not subtract income from column B.

**Note:** If you are a nonresident alien, use column B and column C to adjust federal AGI to include income from all sources, even if you were not required to report it on your federal return. California does not have special rules limiting total AGI from all sources to U.S. source or effectively connected income of nonresident aliens.

You may need one of the following FTB publications to complete column B and column C:

- 1001, Supplemental Guidelines to California Adjustments;
- 1005, Pension and Annuity Guidelines;
- 1031, Guidelines for Determining Resident Status; or
- 1032, Tax Information for Military Personnel; or
- 1100, Taxation of Nonresidents and Individuals Who Change Residency.

Go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) to download a publication or form or see the back cover of your tax booklet.

#### Line 7 – Wages, Salaries, Tips, etc.

Generally, you will not make any adjustments on this line. If you did not receive any of the following types of income, make no entry on this line in either column B or column C.

If you are active duty military and domiciled in **Arizona, Idaho, Louisiana, Nevada, Texas, New Mexico, Washington, Wisconsin, or Puerto Rico** (community property states) **AND** your spouse is a California resident, your spouse is entitled to claim an adjustment of  $\frac{1}{2}$  your military pay. If you are qualified to make this adjustment write 17140.5 MPA to the left of column A and enter  $\frac{1}{2}$  of the military pay in column B. Also exclude this amount from column E. If the military member is domiciled in a separate property state, do not make an entry in column B. Get FTB Pub 1032 for more information.

**Ride-sharing benefits or sick pay received under the Federal Insurance Contributions Act and Railroad Retirement Act.** California excludes these items from income. Enter in column B the amount of these benefits included in the amount in column A.

#### Ridesharing fringe benefit differences between The Franchise Tax Board and Employment Development Department (EDD)

Under federal law and the provisions administered by the Employment Development Department,

qualified transportation benefits are excluded from gross income. Under the California Revenue and Taxation Code, there are no monthly limits for the exclusion of these benefits and California's definitions are more expansive. Enter the amount of ridesharing benefits received and included in federal income on line 7, column B.

#### Income exempted by U.S. tax treaties (unless specifically exempt for state purposes also).

If you excluded this income from your federal return, enter the excluded amount in column C. If you claimed the foreign earned income or housing cost exclusion under IRC Section 911, see the instructions for line 21. Get FTB Pub. 1001 for more information.

**Exclusion for compensation from exercising a California Qualified Stock Option (CQSO).** To claim this exclusion, your earned income from the corporation granting the CQSO must be \$40,000 or less; the market value of the options granted to you must be \$100,000 or less; the total number of shares must be 1,000 or less; and the corporation issuing the stock must designate that the stock issued is a California qualified stock option at the time the option is granted. If you included in federal income an amount qualifying for this exclusion, enter that amount in column B.

**Exclusion for Medical Expenses.** California allows an exclusion from gross income for employer-provided accident, health insurance, and medical expense reimbursement for domestic partners and that partner's dependents if they were not previously deducted. Self-employed individuals may also claim a deduction for health insurance costs paid for themselves, their spouses, and dependents.

#### Line 8 – Taxable Interest Income

If you did not receive any of the kinds of income listed below, do not make an entry on this line in either column B or column C. Otherwise, enter in column B, the interest that you received from:

- U.S. saving bonds (except for interest from series EE U.S. savings bonds issued after 1989 that qualified for the Education Savings Bond Program exclusion);
- U.S. Treasury Bills, notes and bonds;
- Any other bonds or obligations of the United States and its territories; and

**Do not** make entries in either column B or column C for interest you earned on Federal National Mortgage Association (Fannie Mae) Bonds, Government National Mortgage Association (Ginnie Mae) Bonds, and Federal Home Loan Mortgage Corporations (FHLMC) securities.

Enter in column C, the interest you identified as tax-exempt interest on your federal Form 1040 (or Form 1040A), line 8b or Form 1040NR, line 9b; **and** which you received from:

- Non-California state bonds;
- Non-California municipal bonds issued by a county, city, town, or other local government unit;
- Obligations of the District of Columbia issued after December 27, 1973; and
- Non-California bonds if the interest was passed through to you from S corporations, trusts, partnerships, or Limited Liability Companies.

Get FTB Pub. 1001 if you received interest income from the following sources:

- Loans made in an enterprise zone (EZ), or the former Los Angeles Revitalization Zone (LARZ); or
- Items listed above passed through to you from S corporations, trusts, partnerships, or limited liability companies (LLCs).

#### Line 9 – Ordinary dividends

Generally, you will not have a difference between the amount of dividends reported in Column A and the amount reported using California law. However, California taxes dividends that are derived from other states and their municipal obligations. In addition, certain mutual funds pay "exempt-interest dividends". If the mutual fund has at least 50% of its assets invested in tax-exempt U.S. obligations and/or in California or its municipal obligations, that amount of dividend is exempt from California. The proportion of dividends that are tax-exempt will be shown on your annual statement or statement issued with Form 1099.

If the California exempt-interest amount is more than the federal exempt-interest amount, enter the difference in column B.

Get FTB Pub. 1001 if you received dividend income from:

- Noncash patronage dividends from farmers' cooperatives or mutual associations;
- A controlled foreign corporation;
- Distribution of pre-1987 earnings from S corporations; or
- Undistributed capital gains for regulated investment company (RIC) shareholders.

#### Line 10 – Taxable refunds, credits, or offsets of state and local income taxes

California does not tax the state income tax refund you received in 2002. Enter in column B, the amount of state tax refund you entered in column A.

#### Line 11 – Alimony Received

If you are a nonresident alien and received alimony that was not included in your federal income, enter the alimony on this line in column C. Otherwise, make no entry on this line.

#### Line 12 – Business Income or (Loss)

You may need to adjust federal business income or loss you reported in column A because of the difference between California and federal law relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or basis you use to figure California depreciation may be different from the amount used for federal purposes. Adjustments are figured on form FTB 3885A, Depreciation and Amortization Adjustments, and are most commonly necessary because of the following:

- **Before January 1, 1987**, California did not allow depreciation under the federal accelerated cost recovery system. You must continue to figure California depreciation for those assets in the same manner as prior years.
- **On or after January 1, 1987**, California provides special credits and accelerated write-offs that affect the California basis of qualifying assets. Refer to the bulleted list below.

Use form FTB 3801, Passive Activity Loss Limitations (PALS), to figure the total adjustment for line 12 if you have:

- One or more passive activities that produce a loss; or
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule C.

Use form FTB 3885A to figure the total adjustment for line 12 if you have:

- Only nonpassive activities which produce either gains or losses (or a combination of gains and losses); or
- Passive activities that produce gains.

Get FTB Pub. 1001 for more information about:

**Income related to:**

- Business, trade, or profession carried on within California that is an integral part of a unitary business carried on both within and outside California; or
- Pro-rata share of income received from a controlled foreign corporation by a U.S. shareholder.

**Basis adjustments related to:**

- Property acquired prior to becoming a California resident;
- Sales or use tax credit for property used in an EZ, Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or former LARZ;
- Reduced recovery periods for fruitbearing grapevines replaced in a California vineyard on or after 1/1/92 as a result of phylloxera infestation or on or after 1/1/97 as a result of Pierce's disease;
- Expenditures for tertiary injectants;
- Property placed in service on an Indian reservation after 1/1/94, and before 12/31/2003;
- Amortization of pollution control facilities;
- Discharge of real property business indebtedness;
- Employer-paid child care program;
- Employer-paid child care plan;
- Vehicles used in an employer-sponsored ridesharing program;
- An enhanced oil recovery system;
- The cost of making a business accessible to disabled individuals;
- Property for which you received an energy conservation subsidy from a public utility on or after 1/1/95, and before 1/1/97; or
- Research and experimental expenditures.

**Business expense deductions related to:**

- Wages paid in an EZ, LAMBRA, Manufacturing Enhancement Area (MEA), or TTA;
- Certain employer costs for employees who are also enrolled members of Indian tribes;
- Abandonment or tax recoupment fees for open-space easements and timberland preserves;
- Business located in an EZ, LAMBRA, or TTA;
- Research expense;
- Employer wage expense for the Work Opportunity Credit and Welfare-to-Work Credit;
- Pro-rata share of deductions received from a controlled foreign corporation by a U.S. shareholder;
- Interest paid on indebtedness in connection with company-owned life insurance policies;
- Premiums paid on life insurance policies, annuities or endowment contracts issued after 6/8/97 where the owner of the business is directly or indirectly a policy beneficiary.

**Line 13 – Capital Gain or (Loss)**

Generally, you will not make any adjustments on this line if you do not have any of the items listed below. Use Schedule D, California Capital Gain or Loss Adjustment, only if you have differences from:

- Gain on the sale of qualified small business stock which qualifies for the gain exclusion under IRC Section 1202;
- Basis amounts resulting from differences between California and federal law in prior years;
- Gain or loss on stock and bond transactions;
- Installment sale gain reported on form FTB 3805E, Installment Sale Income;
- Gain on the sale of personal residence where depreciation was allowable;

- Flow-through gain or loss from partnerships, fiduciaries, S corporations, or LLCs; or
- Capital loss carryover from your 2001 California Schedule D.

Get FTB Pub. 1001 for more information about:

- Disposition of S corporation stock acquired before 1987;
- Gain on the sale or disposition of a qualified assisted housing development to low-income residents or to specified entities maintaining housing for low-income residents;
- Undistributed capital gain for RIC shareholders;
- Gain or loss on the sale of property inherited before 1/1/87; or
- Capital loss carrybacks.

**Line 14 – Other Gains or (Losses)**

Generally, you will not make any adjustments on this line. However, the California basis of your other assets may not be the same as the federal basis due to differences between California and federal law. Therefore, you may have to adjust the amount of other gains or losses. Get Schedule D-1, Sales of Business Property.

**Line 15 – Total IRA Distributions**

**New for tax year 2002 – Calculate your IRA basis as if you were a California resident for all prior years.** Generally, you will not make any adjustments on this line. However, there may be significant differences in the taxable amount of a distribution (including a distribution from conversion of a traditional IRA to a Roth IRA) depending on when you made your IRA contributions. California did not conform to the \$2,000 or 100% of compensation annual contribution limit permitted under federal law from 1982 through 1986. During these years, California limited the deduction to the lesser or 15% of compensation or \$1,500 and disallowed a deduction altogether to individuals who were active participants in qualified government plans. Any amount an individual contributed in excess of California deduction limits during these years creates a basis in the IRA.

Get FTB Pub. 1005 for more information and worksheets for figuring the adjustment to enter on this line, if any.

**Coverdell ESA formerly known as Education (Ed) IRA**

– If column A includes a taxable distribution from an Ed IRA, you may owe additional tax on that amount. Get form FTB 3805P, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts. Report only the taxable amount of the distribution on line 21f.

**Line 16 – Total Pensions and Annuities**

Generally, you will not make any adjustments on this line. However, if you received tier 2 railroad retirement benefits or partially taxable distributions from a pension plan, you may need to make the adjustments described below.

If you received a federal Form RRB 1099-R for railroad retirement benefits and included all or part of these benefits in taxable income in column A, enter the taxable benefit amount in column B.

If you began receiving a retirement annuity between 7/1/86 and 1/1/87, and elected to use the three-year rule for California purposes and the annuity rules for federal purposes, enter in column C the amount of the annuity payments you excluded for federal purposes.

**Line 17 – Rental Real Estate, Royalties, Partnerships, S corporations, Trusts, etc.**

You may need to adjust your federal income or loss that you reported in column A because of the difference between California and federal law

relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or basis you use to figure California depreciation may be different from the recovery period or amount used for federal purposes. For more information, see the instructions for Schedule CA (540NR), line 12.

**Note:** California law does not conform to federal law for material participation in rental real estate activities. Beginning in 1994, and for federal purposes only, rental real estate activities conducted by persons in real property businesses are not automatically treated as passive activities. Get form FTB 3801, Passive Activity Loss Limitations, for more information.

Use form FTB 3801, Passive Activity Loss Limitations, to figure the total adjustment for line 17 if you have:

- One or more passive activities that produce a loss; or
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule E.

Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the total adjustment for line 17 if you have:

- Only nonpassive activities which produce either gains or losses (or a combination of gains and losses); or
- Passive activities that produce gains.

**Note:** LLCs that are classified as partnerships for California purposes and limited liability partnerships (LLPs) are subject to the same rules as other partnerships. LLCs report distributive items to members on Schedule K-1 (568), Member's Share of Income, Deductions, Credits, etc. LLPs report to partners on Schedule K-1 (565), Partner's Share of Income, Deductions, Credits, etc.

Get FTB Pub. 1001 for more information about accumulation distributions to beneficiaries for which the trust was not required to pay California tax because the beneficiary's interest was contingent.

**Line 18 – Farm Income or Loss**

You may need to adjust the federal income or loss you report in column A because of the difference between California and federal law relating to depreciation methods, special credits, and accelerated write-offs. As a result, the recovery period or the basis you should use to figure California depreciation may be different from the amount used for federal purposes. For more information about the types of income and adjustments that often require adjustments, see the instructions for Schedule CA (540NR), line 12.

Use form FTB 3801, Passive Activity Loss Limitations, to figure the total adjustment for line 18 if you have:

- One or more passive activities that produce a loss; or
- One or more passive activities that produce a loss **and** any nonpassive activity reported on federal Schedule F.

Use form FTB 3885A, Depreciation and Amortization Adjustments, to figure the total adjustment for line 18 if you have:

- Only nonpassive activities which produce either gains or losses (or a combination of gains and losses); or
- Passive activities that produce gains.

**Line 19 – Unemployment Compensation**

California does not tax unemployment compensation. Enter on line 19, column B, the amount of unemployment compensation shown in column A.

**Line 20 – Social Security Benefits**

California does not tax U.S. social security benefits or equivalent tier 1 railroad retirement benefits. Enter in column B the amount of U.S. social security benefits or equivalent tier 1 railroad retirement benefits shown in column A.

**Line 21 – Other Income****a. California Lottery Winnings**

California does not tax California lottery winnings. Enter in column B the amount of California lottery winnings included in the federal amount on line 21 in column A.

**Note:** Do not include lottery winnings from other states. They are taxable by California.

California and federal laws allow gambling losses only to the extent you report gambling income. If you reduced your gambling income for California lottery income, you may need to reduce the losses included in the federal itemized deductions on line 36. Enter these losses on line 39 as a negative number.

**b. Disaster Loss Carryover from form FTB 3805V, line 6**

If you have a California disaster loss carryover from your 2001 form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations, enter that amount as a positive number in column B.

**c. Federal NOL Deduction from Form 1040, line 21**

If the amount on line 21 in column A includes a federal NOL deduction, enter the amount of the federal NOL deduction as a positive number in column C.

**d. NOL Carryover from form FTB 3805V, line 5**  
This is suspended for 2002 and 2003.**e. NOL Deduction from FTB 3805D, FTB 3805Z, FTB 3806, FTB 3807, or FTB 3809**  
This is suspended for 2002 and 2003.**f. Other (describe)**

**Reward from a crime hotline.** Enter in column B the amount of a reward authorized by a government agency, that you received from a crime hotline established by a government agency or nonprofit organization and that is included in the amount on line 21 in column A.

**Note:** You may not make this adjustment if you are an employee of the hotline or someone who sponsors rewards for the hotline.

**Federal foreign income or housing exclusion.** Enter in column C the amount deducted from federal income on Form 1040, line 21.

**Beverage container recycling income.** Enter in column B the amount of this type of income that you included in the amount on line 21 in column A.

**Rebates or vouchers from a local water agency, energy agency, or energy supplier.** California law allows an income exclusion for rebates or vouchers from a local water agency, energy agency, or energy supplier for the purchase and installation of water conservation appliances and devices. Enter in column B the amount of this type of income that you included in the amount on line 21 in column A.

**Original issue discount (OID) for debt instruments issued in 1985 and 1986.** In the year of sale or other disposition, you must recognize the difference between the amount reported on your federal return and the amount reported for California purposes.

**Issuers:** Enter the difference between the federal deductible amount and the California deductible amount on line 21f in column B.

**Holders:** Enter the difference between the amount included in federal gross income and the amount included for California purposes on line 21f in column C.

**Foreign income of nonresident aliens.** Adjust federal income to reflect worldwide income computed under California law. Enter losses from foreign sources in column B. Enter foreign source income in column C.

**Cost-share payments received by forest landowners.** Enter in column B the cost-share payments received from the Department of Forestry and Fire Protection under the California Forest Improvement Act of 1978 or from the United States Department of Agriculture, Forest Service, under the Forest Stewardship Program and the Stewardship Incentives Program, pursuant to the Cooperative Forestry Assistance Act.

**Compensation for False Imprisonment.** California excludes compensation for false imprisonment from income. Enter the amount of compensation on line 21f, column B.

**Line 22a – Total**

Add line 7 through line 21f in column B and column C. Enter the totals on line 22a.

**Line 22b – Balance Carried Forward**

Enter the totals from Side 1, line 22a, column B and column C.

**Line 23 through Line 33**

California law is the same as federal with the exception of the following:

- Line 23 (Educator expense), enter the amount from column A, line 23 in column B, line 23
- Line 25 (student loan interest deduction), enter on line 25, column B, interest paid in excess of 60 months or 5 years
- Line 26 (Tuition and fees deduction), enter the amount from column A, line 26 in column B, line 26
- Clean Air Fuel, first year deduction (this needs to be included in the total for Column B on line 34)

**Line 33a – Alimony Paid**

If you are a nonresident alien and you did not deduct alimony on your federal return, enter the amount you paid on this line in column C.

**Line 34**

Add line 23 through line 33a in column B and column C. Enter the totals on this line in the appropriate columns.

If you claimed the Clean Air Fuel, first year deduction, include that amount in the total you enter in column B, line 34. Enter the amount and "Clean Air Fuel" on the dotted line next to line 34.

If you claimed the foreign housing deduction, include that amount in the total you enter in column B, line 34. Enter the amount and "Form 2555" or "Form 2555-EZ" on the dotted line next to line 34.

**Line 35 – Total**

Subtract line 34 from line 22b in column B and column C. Enter the totals on this line in the appropriate column. These amounts should be the same as Long Form 540NR, line 14 and line 16, respectively.

**Column D — Total Amounts Using California Law**

Use this column to show the amount remaining after adjustments (subtractions or additions).

For each line, 7 through 35:

1. Subtract the amounts in column B from the amounts in column A.
2. Add the amounts in column C to the result of the calculation made in 1 above.
3. Enter the total in column D.

**Note:** In some cases the total on line 35 in column B or column C will be a negative number. Please read the caution note when you get to line 35.

**Line 21 – Other Income**

If you made any adjustments on line 21 in column B or column C:

- |        |  |
|--------|--|
| Step 1 | Add the adjustments in column B, lines a, b, and f.  |
| Step 2 | Subtract that total from line 21, column A.  |
| Step 3 | Add the adjustments in column C, lines c and f.  |
| Step 4 | Add that total to the result of Step 2: then continue as instructed above for all other lines. |

The total on line 35, column D should be the same as the amount on Long Form 540NR, line 17.

**Column E — California Amounts**

Column E is used to show how much of the amount of income reported on Schedule CA, column D is taxable by California. The taxable amount depends on your residency status.

- **Full-year nonresident:** A nonresident is only taxable on income derived from California sources. Follow the "California Nonresident Amounts" instructions for each line below.
- **Full-year California resident:** A resident is taxable on all income from all sources, including income from sources outside California. Follow the "California Resident Amounts" instructions for each line below. (**Note:** Full-year residents only use Long Form 540NR if filing jointly with a spouse who is a nonresident or a part-year resident.)
- **Part-year resident:** A part-year resident is taxable on all income from all sources while a resident and only on income derived from California sources while a nonresident. Follow the instructions as stated in the Part-Year Resident Worksheet instructions on page 7.

Refer to instructions for each line below to be sure you are including the right amounts.

**Line 7 – Wages, Salaries, Tips, Etc.**

**California Resident Amounts** – Enter the wages, salaries, tips or other compensation that you received while you were a California resident. Active duty military personnel who are domiciled in California and stationed in California report their military income here (see FTB Pub. 1032 for additional information).

**California Nonresident Amounts** – If you worked in California while you were a nonresident, enter the wages, salaries, tips or other compensation that you received for those California services.

**Line 8 – Taxable Interest Income**

**California Resident Amounts** – Enter the interest income that you received while you were a California resident.

**California Nonresident Amounts** – Enter the interest income you received while you were a nonresident from an account or security that was used in a trade or business or was pledged as security for a loan, the proceeds of which were used in a trade or business located in California.

**Line 9 – Ordinary Dividends**

**California Resident Amounts** – Enter the ordinary dividends that you received while you were a California resident.

**California Nonresident Amounts** – Enter the ordinary dividends that you received while you were a nonresident from an account or security that was used in a trade or business or was pledged as security for a loan, the proceeds of which were used in a trade or business located in California.

**Line 11 – Alimony Received**

**California Resident Amounts** – Enter the alimony that you received while you were a California resident.

**California Nonresident Amounts** – Alimony received by a nonresident is not taxable.

**Line 12 – Business Income or (Loss)**

**California Resident Amounts** – Enter the total profits or losses (including losses allowed from passive activities) from all businesses you conducted while you were a California resident.

**California Nonresident Amounts** – Enter the total amount of profits or losses (including losses allowed from passive activities) from all businesses you conducted in California while you were a nonresident of California.

If, as a nonresident, you derived income from a business, trade, or profession conducted partly within California and partly outside California, only income from the part conducted within California is considered California source income that you must report in column E. If there is any business relationship between the parts within and outside California (flow of goods, etc.), you must apportion the gross income or loss from the entire business. To determine the portion of income or loss from businesses engaged in multistate activities that you must report, use the apportionment formula described in Schedule R, Apportionment and Allocation of Income.

**Line 13 – Capital Gain or (Loss)**

**California Resident Amounts** – Enter your capital gains and losses from all sources while you were a California resident.

**California Nonresident Amounts** – Enter your capital gains and losses from sources within California while you were a nonresident. Complete the Schedule D Worksheet for Nonresidents and Part-Year Residents to compute this amount.

**Part-Year Resident Amounts** – Complete the Schedule D Worksheet for Nonresidents and Part-Year Residents. Enter the amount from line 5, column E of that worksheet on the Part-Year Resident Worksheet, line 13, column C.

**Line 14 – Other gains or (losses)**

**California Resident Amounts** – Enter your gains and losses (including losses allowed from passive activities) from all sources while you were a resident.

**California Nonresident Amounts** – Enter your gains and losses from sources within California while you were a nonresident.

**Line 15 – Total IRA Distributions (Taxable Amount)**

**California Resident Amounts** – Enter the taxable portion of the IRA distributions you received while you were a California resident. Include regular distributions, premature distributions, and any other money or property you received from your IRA account or annuity.

For more information on traditional, Coverdell ESA, and Roth IRAs, get FTB Pub. 1005, Pension and Annuity Guidelines.

**Note:** If this amount is a premature distribution and you owed the early distribution tax on your federal return, you generally owe this tax to California also. Get form FTB 3805P, Additional Taxes on Qualified Plans (including IRAs) and other Tax-Favored Accounts, to figure any additional tax due on this amount.

**California Nonresident Amounts** – IRA distributions received by a nonresident are not taxable.

**Line 16 – Total Pensions and Annuities (Taxable Amount)**

**California Resident Amounts** – Enter the portion of your taxable pension and annuity income you received while you were a resident of California.

**Note:** If this amount is a premature distribution and you owed the early distribution tax on your federal return, you generally owe this tax to California also. Get form FTB 3805P, Additional Taxes on Qualified Plans (including IRAs) and other Tax-Favored Accounts, to figure any additional tax due on this amount.

**California Nonresident Amounts** – Qualified retirement distributions received by a nonresident are not taxable.

For more information, get FTB Pub. 1005, Pension and Annuity Guidelines.

**Line 17 – Rental Real Estate, Royalties, Partnerships, S Corporations, Trusts, Etc.**

Enter your 2002 profit or loss (including losses allowed from passive activities) from all rents, royalties, partnerships, S corporations, LLCs, estates, and trusts that accrued while you were a California resident and profit or loss related to property or business located in California while you were a nonresident of California.

If you owned an interest in a partnership, an LLC classified as a partnership, or an S corporation and you were a California resident on the last day of the partnership's or LLC's taxable year or S corporation's taxable year, you must include your entire distributive share of the partnership's or LLC's profit or loss, or your entire pro-rata share of the S corporation's profit or loss.

If you were a nonresident of California on the last day of the partnership's or LLC's taxable year, or S corporation's taxable year, include the portion of your distributive share of the profit or loss derived from California sources from the partnership or the LLC, or your pro-rata share of the profit or loss derived from California sources from the S corporation.

Your Schedule K-1 (100S, 541, 565, or 568) will indicate the amount of partnership, S corporation, estate, trust, or LLC profit or loss derived from California sources.

**Note:** The Franchise Tax Board is considering adopting a pro-rata method rather than an end-of-the-year approach. Please check our website at [www.ftb.ca.gov](http://www.ftb.ca.gov) to find out the status of the potential change.

**Line 18 – Farm Income or (Loss)**

**California Resident Amounts** – Enter your profit or loss (including losses allowed from passive activities) from all farming activity while you were a California resident.

**California Nonresident Amounts** – Enter your profit or loss (including losses allowed from passive activities) for farming activity conducted in California while you were a nonresident of California.

**Line 21 – Other Income**

Identify the type of income reported in the space provided. If there is more than one item to report on line 21f, attach a statement that lists each item and enter the total of all individual items in column E.

**California Resident Amounts**

- **Archer Medical Savings Accounts or a Medicare Choice MSA Distribution:** Enter the entire taxable MSA distribution in column E. Then get form FTB 3805P, Additional Taxes on Qualified Plans (including IRAs) and other Tax-Favored Accounts, to figure any additional tax due on this amount.
- **Other Income:** Enter any other income you reported in column D that you earned or received while you were a California resident.

**California Nonresident Amounts**

- **Archer Medical Savings Accounts or a Medicare Choice MSA Distribution:** Enter zero.
- **Other Income:** Enter any other income you reported on column D derived from California sources that you earned or received while you were a nonresident.

**Line 22a – Total**

Add line 7 through line 21 in column E. Enter the result on this line.

**Line 22b – Balance Carried Forward**

Enter the total from Side 1, line 22a, column E on this line.

**Line 24 and Line 31 – IRA, Keogh, SEP, and SIMPLE Deduction**

The amount of the California deduction for IRA, Keogh, SEP, and SIMPLE contributions is the same as the federal deduction. However, the California deduction may be limited by your California compensation or by your California self-employment income.

**Example:** Susan moved into California on December 1. She made contributions to her IRA and claimed a deduction of \$2,000 on her federal return. Her California wages were \$500. Her allowable deduction is the lesser of:

- The federal deduction of \$2,000; or
- The California compensation of \$500.

Therefore, she must enter \$500 on line 24 of column E. She will have made no entry in column B or column C.

Keogh and SEP deductions are limited to a percentage of the federal deduction. That percentage is the ratio of:

Self-employment income reported in column E \_\_\_\_\_ = California ratio  
Total self-employment income reported in column D

Multiply your federal deduction by the California ratio described above and enter the result on line 31, column E.

Get FTB Pub. 1005 for more information.

**Line 25 – Student Loan Interest Deduction**

California law differs from federal law with regards to the student loan interest deduction. However, for purposes of figuring California sourced income, the deduction will be limited to a percentage of time you were a resident of California. That percentage is the ratio of:

# of days you were a  
California resident \_\_\_\_\_ = California ratio  
365 days

Multiply line 25, column D by the California ratio above and enter the result on line 25, column E.

**Line 27 – Archer Medical Savings Account Deduction**

The amount of the California deduction for an MSA contribution is the same as the federal deduction. However, it is limited to a percentage of the federal deduction. The percentage is the ratio of:

Compensation\* reported  
in column E \_\_\_\_\_ = California ratio  
Compensation\* reported  
in column D

\*Compensation includes self-employment income.

Multiply your federal deduction by the California ratio described above and enter the result on line 27, column E.

**Line 28 – Moving Expenses**

California law and federal law are the same for moving expenses. If you moved:

- Into California in connection with your new job, enter the amount from column A, line 28, in column E, line 28.
- Out of California in connection with your new job, enter zero on line 28.

**Exception:** If you moved out of California in connection with your new job and received compensation from that job attributable to a California source, your moving expense adjustment will be limited by the ratio of California source compensation from the new job to total compensation from the new job.

**Line 29 – One-half of Self-Employment Tax**

If you claimed a deduction in column A for self-employment tax paid, your California deduction is limited to a percentage of the federal deduction. That percentage is the ratio of:

Self-employment income reported in column A from all sources while a CA resident	+	Self-employment income reported in column A from CA sources while a nonresident
Total self-employment income reported in column A		

Multiply your federal deduction by the California ratio described above and enter the result on line 29, column E.

**Line 30 – Self-Employed Health Insurance Deduction**

If you claimed a deduction in column A for payments you made to a health insurance plan while you were self-employed, your California deduction is limited to a percentage of the federal deduction. That percentage is the ratio of:

Total self-employment  
income reported in  
column E \_\_\_\_\_ = California ratio  
Total self-employment  
income reported in  
column D

Multiply your federal deduction on line 30, by the California ratio described above and enter the result on line 30, column E.

**Line 32 – Penalty on Early Withdrawal of Savings**

Enter the interest penalties charged to you while you were a California resident.

**Line 33a – Alimony Paid**

Enter alimony or separate maintenance payments that you made while you were a California resident.

**Line 34** – Add line 23 through line 33a in column E. Enter the result on this line.

**Line 35 – Total**

Subtract line 34 from line 22b in column E. This is your California adjusted gross income (AGI). Enter the result on this line. Also enter this amount on line 43.

Also, transfer the amounts from:

- Line 35, column B to Long Form 540NR, Side 1, line 14;
- Line 35, column C to Long Form 540NR, Side 1, line 16; and
- Line 35, column E to Long Form 540NR, Side 1, line 21.

**Caution:** If the amount on Schedule CA (540NR) line 35:

- **Column B** is a negative number, do not transfer it to Long Form 540NR, line 14. Instead, transfer the amount as a positive number to Long Form 540NR, line 16; or
- **Column C** is a negative number, do not transfer it to Long Form 540NR, line 16. Instead, transfer the amount as a positive number to Long Form 540NR, line 14.

## Specific Line Instructions for PART III Adjustments to Federal Itemized Deductions

**Line 36 – Federal Itemized Deductions**

Enter the total amount of itemized deductions from your federal Schedule A (Form 1040), lines 4, 9, 14, 18, 19, 26, and 27 or Schedule A (Form 1040NR), lines 3, 7, 8, 15, and 16.

**Important:** If you did not itemize deductions on your federal tax return but will itemize deductions on your California return, first complete federal Schedule A. Then complete Schedule CA (540NR), Part III, line 36 through line 42. Attach a copy of federal Schedule A to your Long Form 540NR.

**Line 37 – State, Local, and Foreign Income Taxes**

Add the following amounts from federal Schedule A (Form 1040) and enter on line 37:

- Line 5, state and local income tax (including limited partnership tax and income or franchise tax paid by corporations), and State Disability Insurance (SDI); and
- Line 8, foreign income taxes.

**Line 39 – Other Adjustments****Adoption-related Expenses**

If you deducted adoption-related expenses on your federal Schedule A and are claiming the adoption cost credit on your Long Form 540NR, enter the amount of the adoption cost credit claimed as a negative number on line 39.

**Mortgage Interest Credit**

If you reduced your federal mortgage interest deduction by the amount of your mortgage interest credit (from federal Form 8396, Mortgage Interest Credit), be sure to increase your California itemized deductions by the same amount. Enter the amount of your federal mortgage interest credit as a positive number on line 39.

**Nontaxable Income Expenses**

If, on federal Schedule A, you claim expenses related to producing income taxed under federal law but not taxed by California, enter the amount as a negative number on line 39.

You may claim expenses related to producing income taxed by California law but not taxed under federal law by entering the amount as a positive number on line 39.

**Employee Business Expenses**

If you completed federal Form 2106, Employee Business Expense (or Form 2106-EZ), also complete Form 2106 (or Form 2106-EZ) using California amounts. Specific differences between California and federal law are shown below.

- **Assets placed in service before 1/1/87:** Figure expenses based on California law; and

Compare line 10 on both Forms 2106 (or line 6 if using Forms 2106-EZ). If the federal amount is larger, enter the difference as a negative number on line 39. If the California amount is larger, enter the difference as a positive number on line 39.

**Investment Interest Expense**

Your California deduction for investment interest expense may be different from your federal deduction. You must use form FTB 3526, Investment Interest Expense Deduction, to figure the amount to enter on line 39.

**Interest Expense Deduction**

Your California interest expense deduction may be different from your federal deduction. A deduction is allowed for interest paid on any loan or financed indebtedness from a utility company to purchase energy efficient equipment and products for California residences.

**Gambling Losses**

California Lottery losses are not deductible for California. Enter the amount of California Lottery losses shown on federal Schedule A as a negative number on line 39.

**Federal Estate Tax**

Federal estate tax paid on income in respect of a decedent is not deductible for California. Enter the amount of federal estate tax shown on federal Schedule A as a negative number on line 39.

**Generation Skipping Transfer Tax**

Tax paid on generation skipping transfers is not deductible under California law. Enter the amount of expenses shown on federal Schedule A as a negative number on line 39.

**State Legislator's Travel Expenses**

Under California law, deductible travel expenses for state legislators include only those incurred while away from their places of residence overnight. Figure the difference between the amount allowed using federal law and the amount allowed using California law. Enter the difference as a negative number on line 39.

**Charitable Contribution Carryover Deduction.**

If you are deducting a prior year charitable contribution carryover, and the California carryover is larger than the federal carryover, enter the additional amount as a positive number on line 39.

**Line 41 – California Itemized Deductions**

Is the amount on Long Form 540NR, line 13 more than the amount shown below for your filing status? Single or married

filing separately ..... \$132,793  
Married filing jointly or  
qualifying widow(er) ..... \$265,589  
Head of household ..... \$199,192

**NO.** Transfer the amount from line 40 to line 41.  
Do not complete the worksheet below.

**YES.** Complete the Itemized Deductions  
Worksheet on next page.

# California Adjustments — 2002 Nonresidents or Part-Year Residents

CA (540NR)

**Important:** Attach this schedule directly behind Long Form 540NR, Side 2.

Name(s) as shown on return

Social security number

**Part I Residency Information.** You must complete all lines that apply to you and your spouse.**During 2002**

- |   | Yourself | Spouse |
|---|----------|--------|
| 1 a I was domiciled in (enter state) .....  |          |        |
| b I was in the military and stationed in (enter state or country) .....                         |          |        |
| 2 I became a California resident (enter the state of prior residence and date of move) .....    |          |        |
| 3 I became a nonresident (enter new state of residence and date of move) .....                  |          |        |
| 4 I was a nonresident of California the entire year (enter state or country of residence) ..... |          |        |
| 5 The number of days I spent in California (for <b>any</b> purpose) is: .....                   |          |        |
| 6 I owned a home/property in California (enter "Yes" or "No") .....                             |          |        |

**Before 2002:**

- |   | Yourself | Spouse |
|---|----------|--------|
| 7 I was a California resident for the period of (enter dates) ..... |          |        |
| 8 I entered California on (enter date) .....                        |          |        |
| 9 I left California on (enter date) .....                           |          |        |

**Part II Income Adjustment Schedule****Section A — Income**

	A Federal Amounts (taxable amounts from your federal return)	B Subtractions See instructions	C Additions See instructions	D Total Amounts Using CA Law As If You Were a CA Resident (subtract column B from column A; add column C to the result)	E CA Amounts (income earned or received as a CA resident and income earned or received from CA sources as a nonresident)
7 Wages, salaries, tips, etc. See instructions before making an entry in column B or C	7				
8 Taxable interest income	8				
9 Ordinary dividends	9				
10 Taxable refunds, credits, or offsets of state and local income taxes. Enter the same amount in column A and column B	10				
11 Alimony received	11				
12 Business income or (loss)	12				
13 Capital gain or (loss)	13				
14 Other gains or (losses)	14				
15 Total IRA distributions. See instructions.					
(a) _____ (b) _____	(b)				
16 Total pensions and annuities. See instructions. (a) _____ (b) _____	(b)				
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.	17				
18 Farm income or (loss)	18				
19 Unemployment compensation	19				
20 Social security benefits (a) _____ (b) _____	(b)				
21 Other income.					
a California lottery winnings					
b Disaster loss carryover from FTB 3805V					
c Federal NOL (Form 1040, line 21)					
d NOL carryover from FTB 3805V	21			21	21
e NOL from FTB 3805D, FTB 3805Z, FTB 3806, FTB 3807, or FTB 3809					
f Other (describe) _____					
22 a <b>Total:</b> Combine line 7 through line 21 in each column. Continue to Side 2 ... 22a					



# Income Adjustment Schedule

## Section B — Adjustments to Income

	A	B	C	D	E
	Federal Amounts (taxable amounts from your federal return)	Subtractions See instructions	Additions See instructions	Total Amounts Using CA Law As If You Were a CA Resident (subtract column B from column A; add column C to the result)	CA Amounts (income earned or received as a CA resident and income earned or received from CA sources as a nonresident)
<b>22 b</b> Enter totals from Schedule CA (540NR), Side 1, line 22a, column A through column E . . . <b>22b</b>					
<b>23</b> Educator expense . . . . . <b>23</b>					
<b>24</b> IRA deduction . . . . . <b>24</b>					
<b>25</b> Student loan interest deduction . . . . . <b>25</b>					
<b>26</b> Tuition and fees deduction . . . . . <b>26</b>					
<b>27</b> Archer MSA deduction . . . . . <b>27</b>					
<b>28</b> Moving expenses . . . . . <b>28</b>					
<b>29</b> One-half of self-employment tax . . . . . <b>29</b>					
<b>30</b> Self-employed health insurance deduction <b>30</b>					
<b>31</b> Self-employed SEP, SIMPLE, and qualified plans . . . . . <b>31</b>					
<b>32</b> Penalty on early withdrawal of savings . . <b>32</b>					
<b>33 a</b> Alimony paid. <b>(b)</b> Enter recipient's: SSN _____ - _____ Full name _____ . <b>33a</b>					
<b>34</b> Add line 23 through line 33a in each column, A through E . . . . . <b>34</b>					
<b>35 Total.</b> Subtract line 34 from line 22b in each column, A through E. See instructions. <b>35</b>					

## Part III Adjustments to Federal Itemized Deductions

<b>36 Federal itemized deductions.</b> Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 14, 18, 19, 26, and 27 (or Schedule A (Form 1040NR), lines 3, 7, 8, 15, and 16) . . . . . <b>36</b>	
<b>37</b> Enter total of federal Schedule A, line 5 (state and local income tax <b>and</b> State Disability Insurance) and line 8 (foreign taxes only) . . . . . <b>37</b>	
<b>38</b> Subtract line 37 from line 36 . . . . . <b>38</b>	
<b>39</b> Other adjustments including California lottery losses. See instructions. . . . . <b>39</b>	
<b>40</b> Combine line 38 and line 39 . . . . . <b>40</b>	
<b>41 Is your federal AGI (Long Form 540NR, line 13) more than the amount shown below for your filing status?</b> Single or married filing separately . . . . . \$132,793 Head of household . . . . . \$199,192 Married filing jointly or qualifying widow(er) . . . . . \$265,589 <b>No.</b> Transfer the amount on line 40 to line 41. <b>Yes.</b> complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540NR), line 41 . . . . . <b>41</b>	
<b>42 Enter the larger of the amount on line 41 or your standard deduction listed below</b> Single or married filing separately . . . . . \$3,004 Married filing jointly, Head of household, or qualifying widow(er) . . . . . \$6,008 . . . . . <b>42</b>	

## Part IV California Taxable Income

<b>43 California AGI.</b> Enter your California AGI from line 35, column E . . . . . <b>43</b>	
<b>44</b> Enter your deductions from line 42 . . . . . <b>44</b>	
<b>45 Deduction percentage.</b> Divide line 35, column E by line 35, column D. Carry the decimal to four places. If the result is greater than 1.0000, enter 1.0000. . . . . <b>45</b>	
<b>46 California Itemized/Standard Deductions.</b> Multiply line 44 by the amount on line 45. . . . . <b>46</b>	
<b>47 California Taxable Income.</b> Subtract line 46 from line 43. Transfer this amount to Long Form 540NR, line 22. If less than zero, enter -0- . . . . . <b>47</b>	

# California Adjustments — 2002 Nonresidents or Part-Year Residents

CA (540NR)

**Important:** Attach this schedule directly behind Long Form 540NR, Side 2.

Name(s) as shown on return

Social security number

**Part I Residency Information.** You must complete all lines that apply to you and your spouse.**During 2002**

- |   | Yourself | Spouse |
|---|----------|--------|
| 1 a I was domiciled in (enter state) .....  |          |        |
| b I was in the military and stationed in (enter state or country) .....                         |          |        |
| 2 I became a California resident (enter the state of prior residence and date of move) .....    |          |        |
| 3 I became a nonresident (enter new state of residence and date of move) .....                  |          |        |
| 4 I was a nonresident of California the entire year (enter state or country of residence) ..... |          |        |
| 5 The number of days I spent in California (for <b>any</b> purpose) is: .....                   |          |        |
| 6 I owned a home/property in California (enter "Yes" or "No") .....                             |          |        |

**Before 2002:**

- |   |  |  |
|---|--|--|
| 7 I was a California resident for the period of (enter dates) ..... |  |  |
| 8 I entered California on (enter date) .....                        |  |  |
| 9 I left California on (enter date) .....                           |  |  |

**Part II Income Adjustment Schedule****Section A — Income**

	A Federal Amounts (taxable amounts from your federal return)	B Subtractions See instructions	C Additions See instructions	D Total Amounts Using CA Law As If You Were a CA Resident (subtract column B from column A; add column C to the result)	E CA Amounts (income earned or received as a CA resident and income earned or received from CA sources as a nonresident)
7 Wages, salaries, tips, etc. See instructions before making an entry in column B or C	7				
8 Taxable interest income	8				
9 Ordinary dividends	9				
10 Taxable refunds, credits, or offsets of state and local income taxes. Enter the same amount in column A and column B	10				
11 Alimony received	11				
12 Business income or (loss)	12				
13 Capital gain or (loss)	13				
14 Other gains or (losses)	14				
15 Total IRA distributions. See instructions.					
(a) _____ (b) _____	(b)				
16 Total pensions and annuities. See instructions. (a) _____ (b) _____	(b)				
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.	17				
18 Farm income or (loss)	18				
19 Unemployment compensation	19				
20 Social security benefits (a) _____ (b) _____	(b)				
21 Other income.					
a California lottery winnings					
b Disaster loss carryover from FTB 3805V					
c Federal NOL (Form 1040, line 21)					
d NOL carryover from FTB 3805V	21			21	21
e NOL from FTB 3805D, FTB 3805Z, FTB 3806, FTB 3807, or FTB 3809					
f Other (describe) _____					
22 a <b>Total:</b> Combine line 7 through line 21 in each column. Continue to Side 2 ... 22a					

# Income Adjustment Schedule

## Section B — Adjustments to Income

	A	B	C	D	E
	Federal Amounts (taxable amounts from your federal return)	Subtractions See instructions	Additions See instructions	Total Amounts Using CA Law As If You Were a CA Resident (subtract column B from column A; add column C to the result)	CA Amounts (income earned or received as a CA resident and income earned or received from CA sources as a nonresident)
<b>22 b</b> Enter totals from Schedule CA (540NR), Side 1, line 22a, column A through column E . . . <b>22b</b>					
<b>23</b> Educator expense . . . . . <b>23</b>					
<b>24</b> IRA deduction . . . . . <b>24</b>					
<b>25</b> Student loan interest deduction . . . . . <b>25</b>					
<b>26</b> Tuition and fees deduction . . . . . <b>26</b>					
<b>27</b> Archer MSA deduction . . . . . <b>27</b>					
<b>28</b> Moving expenses . . . . . <b>28</b>					
<b>29</b> One-half of self-employment tax . . . . . <b>29</b>					
<b>30</b> Self-employed health insurance deduction <b>30</b>					
<b>31</b> Self-employed SEP, SIMPLE, and qualified plans . . . . . <b>31</b>					
<b>32</b> Penalty on early withdrawal of savings . . <b>32</b>					
<b>33 a</b> Alimony paid. <b>(b)</b> Enter recipient's: SSN _____ - _____ Full name _____ . <b>33a</b>					
<b>34</b> Add line 23 through line 33a in each column, A through E . . . . . <b>34</b>					
<b>35 Total.</b> Subtract line 34 from line 22b in each column, A through E. See instructions. <b>35</b>					

## Part III Adjustments to Federal Itemized Deductions

<b>36 Federal itemized deductions.</b> Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 14, 18, 19, 26, and 27 (or Schedule A (Form 1040NR), lines 3, 7, 8, 15, and 16) . . . . . <b>36</b>	
<b>37</b> Enter total of federal Schedule A, line 5 (state and local income tax <b>and</b> State Disability Insurance) and line 8 (foreign taxes only) . . . . . <b>37</b>	
<b>38</b> Subtract line 37 from line 36 . . . . . <b>38</b>	
<b>39</b> Other adjustments including California lottery losses. See instructions. . . . . <b>39</b>	
<b>40</b> Combine line 38 and line 39 . . . . . <b>40</b>	
<b>41 Is your federal AGI (Long Form 540NR, line 13) more than the amount shown below for your filing status?</b> Single or married filing separately . . . . . \$132,793 Head of household . . . . . \$199,192 Married filing jointly or qualifying widow(er) . . . . . \$265,589 <b>No.</b> Transfer the amount on line 40 to line 41. <b>Yes.</b> complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540NR), line 41 . . . . . <b>41</b>	
<b>42 Enter the larger of the amount on line 41 or your standard deduction listed below</b> Single or married filing separately . . . . . \$3,004 Married filing jointly, Head of household, or qualifying widow(er) . . . . . \$6,008 . . . . . <b>42</b>	

## Part IV California Taxable Income

<b>43 California AGI.</b> Enter your California AGI from line 35, column E . . . . . <b>43</b>	
<b>44</b> Enter your deductions from line 42 . . . . . <b>44</b>	
<b>45 Deduction percentage.</b> Divide line 35, column E by line 35, column D. Carry the decimal to four places. If the result is greater than 1.0000, enter 1.0000. . . . . <b>45</b>	
<b>46 California Itemized/Standard Deductions.</b> Multiply line 44 by the amount on line 45. . . . . <b>46</b>	
<b>47 California Taxable Income.</b> Subtract line 46 from line 43. Transfer this amount to Long Form 540NR, line 22. If less than zero, enter -0- . . . . . <b>47</b>	

## Itemized Deductions Worksheet

1. Enter the amount from Schedule CA (540NR), line 40 ..... 1 \_\_\_\_\_
2. Using California amounts, add the amounts on federal Schedule A (Form 1040), line 4, line 13, and line 19 plus any gambling losses included on line 27 (or on Schedule A (Form 1040NR), line 8 plus any investment interest expense included on line 11 and any gambling losses included on line 16) ..... 2 \_\_\_\_\_
3. Subtract line 2 from line 1.  
**Note:** If the result is -0- or less **stop**. Enter the amount from line 1 above on Schedule CA (540NR), line 41 ..... 3 \_\_\_\_\_
4. Multiply line 3 by 80% (.80) ..... 4 \_\_\_\_\_
5. Enter the amount from Long Form 540NR, line 13 ..... 5 \_\_\_\_\_
6. Enter the amount shown above for your filing status ..... 6 \_\_\_\_\_
7. Subtract line 6 from line 5.  
**Note:** If the result is -0- or less **stop**. Enter the amount from line 1 above on Schedule CA (540NR), line 41 ..... 7 \_\_\_\_\_
8. Multiply line 7 by 6% (.06) ..... 8 \_\_\_\_\_
9. Compare the amounts on line 4 and line 8. Enter the smaller amount here ..... 9 \_\_\_\_\_
10. Total itemized deductions. Subtract line 9 from line 1. Enter the result here and on Schedule CA (540NR), line 41 ..... 10 \_\_\_\_\_

### Line 45 – Deduction Percentage

Divide line 35, column E by line 35, column D. Carry the decimal to four places. This number may not be greater than 1.0000. If the result is greater than 1.0000, enter 1.0000.

### Line 47 -- California Taxable Income

Subtract line 46 from line 43. If less than zero, enter 0. Enter this amount on Long Form 540NR, line 22.

## Part-Year Resident Worksheet

	A	B	C
<b>Important:</b> Part-year residents use this worksheet to determine the amounts to enter on Schedule CA (540NR), column E, line 7 through line 22a.	<b>California Resident Amounts</b>	<b>California Nonresident Amounts</b>	<b>Total</b> Combine column A and column B
	Amounts reported in Schedule CA (540NR) column D earned or received while you were a CA resident	Amounts reported in Schedule CA (540NR) column D earned or received from CA sources while you were a nonresident	Transfer amounts to Schedule CA (540NR), column E
<b>Income</b>			
7 Wages, salaries, tips, etc. .... 7			
8 Taxable interest income .... 8			
9 Ordinary dividends .... 9			
10 Taxable refunds, credits, or offsets of state and local income taxes .... 10			
11 Alimony received .... 11			
12 Business income or (loss) .... 12			
13 Capital gain or (loss). See instructions .... 13			
14 Other gains or (losses) .... 14			
15b Total IRA distributions. See instructions .... 15b			
16b Total pensions and annuities. See instructions .... 16b			
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. See instructions .... 17			
18 Farm income or (loss) .... 18			
19 Unemployment compensation .... 19			
20 Social security benefits .... 20			
21 Other income. Identify ..... 21			
22a <b>Totals:</b> Combine line 7 through line 21 in column C. Transfer the amounts from column C, line 7 through line 22a, to Schedule Schedule CA (540NR), column E, line 7 through line 22a. .... 22a			

**Part-Year Resident Worksheet –** Part-Year residents use this worksheet to determine the amounts to enter on Schedule CA (540NR), column E, line 7 through line 22a.

Column A: For the part of the year you were a resident, follow the “California Resident Amounts” instructions. Enter the result in column A of the worksheet.

Column B: For the part of the year you were a nonresident, follow the “California Nonresident Amounts” instructions. Enter the result in column B of the worksheet.

Column C: For each line, combine column A and column B of the worksheet. Transfer the amounts in column C of the worksheet to Schedule CA (540NR), column E, line 7 through line 22a.

**Important:** If completing line 13 or line 17, see the part-year resident instructions for those lines.

# Instructions for Form FTB 3885A

## Depreciation and Amortization Adjustments

### General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2001. Therefore, California has conformed to the income tax changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206), the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277), Surface Transportation Revenue Act of 1998 (Public Law 105-178), the Ricky Ray Hemophilia Relief Fund Act of 1998 (Public Law 105-369), the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170), the Miscellaneous Trade and Technical Corrections Act of 1999 (Public Law 106-36), the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 (Public Law 106-519), the Consolidated Appropriations Act of 2001 (Public Law 106-554), and to technical corrections made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16). However, there are continuing differences between California and Federal law. California has not conformed to some of the law changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) or the federal Job Creation and Worker Assistance Act of 2002 (Public Law 107-147). Get FTB Pub. 1001, Supplemental Guidelines to California Adjustments, for more information on differences between California and federal law for the following items:

- **Amortization of certain intangibles (IRC Section 197);**
- **Qualified Indian reservation property; and**
- **Grapevines subject to Phylloxera or Pierce's disease.**

### Purpose

Use form FTB 3885A **only** if there is a difference between the amount of depreciation and amortization allowed as a deduction using California law and the amount allowed using federal law. California law and federal law have not always allowed the same depreciation methods, special credits, or accelerated write-offs. As a result, the recovery periods or the basis on which the depreciation is figured for California may be different from the amounts used for federal purposes. You will probably have reportable differences if all or part of your assets were placed in service:

- **Before 1/1/87.** California did not allow depreciation under the federal accelerated cost recovery system (ACRS), and you must continue to figure California depreciation for those assets in the same manner as in prior years.
- **If you claimed the 30% additional depreciation for federal purpose,** California has not conformed to the Federal Job Creation and Worker Assistance Act of 2002 which allows taxpayers to take an additional first year depreciation deduction and Alternative Minimum Tax depreciation adjustment for property placed in service after September 10, 2001.
- **On or after 1/1/87.** California provides special credits and accelerated write-offs that affect the California basis of qualifying assets. California did not conform to all changes to federal law enacted in 1993, and this causes the California basis or recovery periods to be different for some assets.

Differences may also occur for other less common reasons, and the instructions for Schedule CA (540 or 540NR) list them on the line for the type of income likely to be affected. You may also get FTB Pub. 1001 for more information about figuring and reporting these adjustments.

If you are reporting differences for assets related to a passive activity, get form FTB 3801, Passive Activity Loss Limitations, for more information about passive activities.

Do not use form FTB 3885A to report depreciation expense from federal Form 2106, Employee Business Expenses. Instead, see the instructions for Schedule CA (540 or 540NR), line 39.

### Specific Line Instructions

**Note:** Prepare and file a separate form FTB 3885A for each business or activity on your return that has a difference between California and federal depreciation or amortization. Enter the name of the business or activity in the space provided at the top of the form. If you need more space, attach additional sheets. However, complete Part II, Election to Expense Certain Tangible Property (IRC Section 179), only once.

#### Part I Identify the Activity as Passive or Nonpassive

**Line 1** – Check the box to identify the activity as passive or nonpassive. A passive activity is any activity involving the conduct of any trade or business in which you did not materially participate. Get form FTB 3801 for more information.

If the activity is passive, use this form as a worksheet to figure the depreciation adjustment to carry to form FTB 3801. **Caution:** Beginning in 1994, and for federal purposes only, rental real estate activities of persons in real property

business are not automatically treated as passive activities. California did not conform to this provision.

#### Part II Election To Expense Certain Tangible Property

You may elect to expense part of the cost of depreciable personal property used in your trade or business and certain other property described in federal Pub. 946, How to Depreciate Property. To do so, you must have purchased property, as defined in the IRC Section 179(d)(2), and placed it in service during 2002, or have a carryover of unused cost from 2001. If you elect this deduction, you must reduce your California depreciable basis by the IRC Section 179 expense. The maximum Section 179 expense allowed for 2002 is \$24,000.

Complete the worksheet below to figure IRC Section 179 expense for California. Include all assets qualifying for the deduction because the limit applies to all qualifying assets as a group rather than to each asset individually. **Refer to federal Form 4562 for information.**

Tangible Property Expense Worksheet			
1	Maximum dollar limitation for California ..... 1 \$ 24,000		
2	Total cost of Section 179 property placed in service ..... 2		
3	Threshold cost of Section 179 property before reduction in limitation ..... 3 \$200,000		
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- ..... 4		
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0- ..... 5		
(a) Description of property	(b) Cost	(c) Elected cost	
6			
7	Listed property (elected Section 179 cost) ... 7		
8	Total elected cost of Section 179 property. Add column (c), line 6 and line 7 ..... 8		
9	Tentative deduction. Enter the smaller of line 5 or line 8 ..... 9		
10	Carryover of disallowed deduction from 2001 ..... 10		
11	Enter the smaller of business income (not less than -0-) or line 5 ..... 11		
12	Section 179 expense deduction for California. Add line 9 and line 10, but do not enter more than line 11. Also enter the result on FTB 3885A, line 2 ..... 12		
13	Carryover of disallowed deduction to 2003. Add line 9 and line 10. Subtract line 12 from the result ..... 13		

#### Part III Depreciation

**Line 3** – Complete column (a) through column (f) for each tangible asset or group of assets placed in service during the tax year. Be sure to use the California basis for assets on which you elected to take the Section 179 deduction. It will be the difference between line 6, column (b) and line 6, column (c) of the Tangible Property Expense Worksheet in Part II.

**Line 8a and Line 8b** – Are you using this form as a worksheet in connection with form FTB 3801?

**Yes** Enter the amount from line 8a or line 8b on form FTB 3801, Side 2, California Passive Activity Worksheet, column (e).

**No** Include the amount from line 8a on Schedule CA (540 or 540NR) in column B on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.  
Include the amount from line 8b on Schedule CA (540 or 540NR) in column C on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

#### Part IV Amortization

**Line 9** – Complete column (a) through column (f) for intangible assets placed in service during the tax year. Be sure to use the California basis and the California recovery period.

**Line 14a and Line 14b** – Are you using this form as a worksheet in connection with form FTB 3801?

**Yes** Enter the amount from line 14a or line 14b on form FTB 3801, Side 2, California Passive Activity Worksheet, column (e).

**No** Include the amount from line 14a on Schedule CA (540 or 540NR) in column B on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.  
Include the amount from line 14b on Schedule CA (540 or 540NR) in column C on line 12 for federal Schedule C activities; on line 17 for federal Schedule E activities; and on line 18 for federal Schedule F activities.

**2002 California Capital Gain or Loss Adjustment****D (540NR)**

Name(s) as shown on return

Social security number

(a) Description of property (Identify S corporation stock) Example 100 shares of "Z" (S stock)	(b) Sales price	(c) Cost or other basis	(d) Loss. If (c) is more than (b), subtract (b) from (c)	(e) Gain. If (b) is more than (c), subtract (c) from (b)
<b>1a</b>				
<b>1b</b>				
<b>2</b> Net gain or (loss) shown on California Schedule(s) K-1 (541, 565, 568, and 100S) .....			<b>2</b>	
<b>3</b> Capital gain distributions (federal Form 1099-DIV, box 2a minus box 2d) .....				<b>3</b>
<b>4</b> Total 2002 gains from all sources. Add column (e) amounts of line 1a, line 1b, line 2, and line 3 .....				<b>4</b>
<b>5</b> 2002 loss. Add column (d) amounts of line 1 and line 2. Enter as a negative amount .....			<b>5</b>	
<b>6</b> California capital loss carryover from 2001, if any. See instructions. Enter as a negative amount ..			<b>6</b>	
<b>7</b> Total 2002 loss. Add line 5 and line 6. Enter as a negative amount .....			<b>7</b>	
<b>8</b> Combine line 4 and line 7. If a loss, go to line 9. If a gain, go to line 10 .....				<b>8</b>
<b>9</b> If line 8 is a loss, enter the smaller of: (a) the loss on line 8; or (b) \$3,000 (\$1,500 if married filing a separate return). See instructions ...				<b>9</b>
<b>10</b> Enter the amount from federal Form 1040, line 13 .....				<b>10</b>
<b>11</b> Enter the California gain from line 8 or loss from line 9 .....				<b>11</b>
<b>12 a</b> If line 10 is more than line 11, enter the difference here and on Schedule CA (540 or 540NR) line 13, col. B .....				<b>12a</b>
<b>b</b> If line 10 is less than line 11, enter the difference here and on Schedule CA (540 or 540NR), line 13, col. C .....				<b>12b</b>

TAXABLE YEAR

**Depreciation and Amortization Adjustments**

CALIFORNIA FORM

**2002**

Do not complete this form if your California depreciation amounts are the same as federal amounts.

**3885A****Part I Identify the activity as passive or nonpassive.** (See instructions.)

Business or activity to which form FTB 3885A relates

- 1** ☐ This form is being completed for a passive activity.  
☐ This form is being completed for a nonpassive activity.

**Part II Election to Expense Certain Tangible Property (IRC Section 179).****2** Enter the amount from line 12 of the Tangible Property Expense Worksheet in the instructions .....

(a) Description of property placed in service	(b) Date placed in service	(c) California basis for depreciation	(d) Method	(e) Life or rate	(f) California depreciation deduction
<b>3</b>					

- 4** Add the amounts on line 3, column (f) .....
- 5** California depreciation for assets placed in service prior to 2002 .....
- 6** Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5 .....
- 7** Total federal depreciation from this activity. Enter depreciation from your federal Form 4562, line 22 .....
- 8 a** If line 6 is more than line 7, enter the difference here and see instructions .....
- b** If line 6 is less than line 7, enter the difference here and see instructions .....

(a) Description of cost amortizable	(b) Date placed in service	(c) California basis for amortization	(d) Code section	(e) Period or percentage	(f) California amortization deduction
<b>9</b>					

- 10** Total California amortization from this activity. Add the amounts on line 9, column (f) .....
- 11** California amortization of costs that began before 2002 .....
- 12** Total California amortization from this activity. Add the amounts on line 10 and line 11 .....
- 13** Total federal amortization from this activity. Enter amortization from your federal Form 4562, line 44 .....
- 14 a** If line 12 is more than line 13, enter the difference here and see instructions .....
- b** If line 12 is less than line 13, enter the difference here and see instructions .....

# Instructions for California Schedule D (540NR)

## California Capital Gain or Loss Adjustment

### General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2001. Therefore, California has conformed to the income tax changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206), the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277), the Surface Transportation Revenue Act of 1998 (Public Law 105-178), the Ricky Ray Hemophilia Relief Fund Act of 1998 (Public Law 105-369), the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170), the Miscellaneous Trade and Technical Corrections Act of 1999 (Public Law 106-36), the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 (Public Law 106-519), the Consolidated Appropriations Act of 2001 (Public Law 106-554), and to technical corrections made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16). However, there are continuing differences between California and Federal law. California has not conformed to some of the law changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) or the federal Job Creation and Worker Assistance Act of 2002 (Public Law 107-147). For example, California does not conform to the federal reduced capital gains tax rates. California taxes capital gains at the same tax rate as other types of income.

**Note:** California law conforms to federal law for the Section 179 expense deduction. For 2002, the maximum amount is \$24,000.

### Purpose

Full-year nonresidents or part-year residents must report gains and losses as if they were a full-year resident for the entire year using California amounts. Therefore, all gains and losses must be reported. Full-year nonresidents or part-year residents should complete Schedule D and the Schedule D (540NR) Worksheet for Nonresident and Part-Year Residents in order to complete column E on Schedule CA (540NR).

For the computation of California taxable income, capital loss carryovers and capital loss limitations for nonresidents are determined based upon California source income and loss items only. For purposes of calculating California taxable income, the character of gains and losses on the sale or exchange of property used in the trade or business or certain involuntary conversions (Internal Revenue Code Section 1231) are determined by netting California sourced Section 1231 gains and losses only.

If you moved in or out of California during the year, get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency.

For more information about the following, get FTB Pub. 1001, Supplemental Guidelines to California Adjustments:

- Disposition of property inherited before 1987;
- Disposition of S corporation stock acquired before 1987;
- Gain on the sale or disposition of a qualified assisted housing development to low-income residents or to specific entities maintaining housing for low-income residents; or
- Capital loss carryback.

**Exclusion of Gain on Qualified Small Business Stock.** California law (R&TC Section 18152.5) provides an exclusion (similar to the federal exclusion under IRC Section 1202) of 50% of the gain on the sale of qualifying small business stock originally issued after 8/10/93 that was held for more than 5 years. However, for California purposes, at least 80% of the issuing corporation's payroll must be attributable to employment located within California, and at least 80% of the value of the corporation's assets must be used by the corporation to actively conduct one or more qualified trades or businesses in California. See the Specific Line Instruction for Line 1b.

**Installment Sales.** If you sold property at a gain (other than publicly traded stocks or securities) and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to do so. Get form FTB 3805E. Also, use that form if you received a payment in 2002, for an installment sale made in an earlier year. **Note:** You may elect not to use the installment sale method for California by reporting the entire gain on Schedule D (540) or (540NR), (or Schedule D-1 for business assets) in the year of the sale and filing your return on or before the due date.

**At-Risk Rules and Passive Activity Limitations.** If you dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, get and complete federal Form 6198, At-Risk Limitations, using California amounts to figure your California deductible loss under the at-risk rules. Once a loss becomes allowable under the at-risk rules, it becomes subject to the passive activity rules. Get form FTB 3801, Passive Activity Loss Limitations.

### Specific Line Instructions

**Note:** If you have gain on the sale of qualified small business stock that qualifies for the federal Section 1202 exclusion, go to the instructions for line 1b.

**Line 1a – List each capital asset transaction.**

**Column (a) – Description of Property.** Describe the asset you sold or exchanged.

**Column (b) – Sales Price.** Enter in this column either the gross sales price or the net sales price. If you received a Form 1099-B, 1099-S, or similar statement showing the gross sales price, enter that amount in column (b). However, if box 2 of Form 1099-B indicates that gross proceeds less commissions and option premiums were reported to IRS, enter that net amount in column (b). If you entered the net amount in column (b), do not include the commissions and option premiums in column (c).

**Column (c) – Cost or Other Basis.** In general, the cost or other basis is the cost of the property plus purchase commissions and improvements minus depreciation, amortization and depletion. Enter the cost or adjusted basis of the asset for California purposes. Use your records and California tax returns for years before 1987 to determine the California amount to enter in column (c). If you used an amount other than cost as the original basis, your federal basis may be different from your California basis. Other reasons for differences are:

**Depreciation Methods and Property Expensing.** Before 1987, California law did not allow the use of ACRS and did not allow the use of an asset depreciation range 20% above or below the standard rate. Before 1999, California had different limits on the expensing of property under IRC Section 179. California law permits rapid write-off of certain property such as solar energy systems, pollution control devices, and property used in an Enterprise Zone, LAMBRA, Targeted Tax Area, or LARZ.

**Inherited Property** – The California basis of property inherited from a decedent is generally fair market value (FMV) at the time of death. If you acquired community property as a surviving spouse, get FTB Pub. 1039, Basis of Property – Decedent/ Surviving Spouse, for more information.

**S Corporation Stock** – Prior to 1987, California law did not recognize S corporations and your California basis in S corporation stock may differ from your federal basis. In general, your California basis will be cost-adjusted for income, loss, and distributions received after 1986, while your stock was California S corporation stock. Your federal basis will be cost-adjusted for income, loss, and distributions received during the time your stock qualified for federal S corporation treatment. Effective for taxable years beginning on or after January 1, 2002, any corporation with a valid federal S corporation election is considered an S corporation for California purposes. Existing law already requires federal C corporations to be treated as C corporations for California purposes.

**Special Credits** – California law authorizes special tax credits not allowed under federal law or computed differently under federal law. In many instances if you claimed special credits related to capital assets, you must reduce your basis in the assets by the amount of credit.

Other adjustments may apply differently to the federal and California basis of your capital assets. Figure the original basis of your asset using the California law in effect when the asset was acquired, and adjust it according to provisions of California law in effect during the period of your ownership.

**Line 1b – Section 18152.5 Exclusion.** If the gain qualifying for the IRC Section 1202 exclusion also qualifies for the California exclusion under R&TC Section 18152.5: Enter in column (a) "Section 18152.5 Exclusion." Complete column (b) and column (c) according to the instructions for line 1a. Enter in column (d) the amount of gain that qualifies for the California exclusion. Enter in column (e) the entire gain realized. **If the gain qualifying for the IRC Section 1202 exclusion does not qualify for the California exclusion:** Complete column (a), column (b), and column (c) according to the instructions for line 1a. Enter -0- in column (d) and enter the entire gain realized in column (e).

**Line 3 – Capital Gain Distributions.** If you receive federal Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, from a mutual fund, do not include the **undistributed** capital gain dividends on Schedule D. If you receive federal Form 1099-DIV, Dividends and Distributions, enter the amount of **distributed** capital gain dividends.

**Line 6 – 2001 California Capital Loss Carryover.** If you had prior year carryover losses, you must recalculate those losses as if you had been a resident for all prior years. Enter this amount on line 6 as a negative amount. Get FTB Pub. 1100, Taxation of Nonresidents and Individuals Who Change Residency.

**Line 8 – Net Gain or Loss.** If the amount on line 4 is more than the amount on line 7, subtract line 7 from line 4. Enter the difference as a gain on line 8.

If the amount on line 7 is more than the amount on line 4, subtract line 4 from line 7 and enter the difference as a negative amount on line 8.

Use the appropriate worksheet to figure your capital loss carryover to 2003.

**Line 9** – If line 8 is a net capital loss, enter the smaller of the loss on line 8 or \$3,000 (\$1,500 if you are married filing a separate return).



**2002 California Capital Gain or Loss Adjustment****D (540NR)**

Name(s) as shown on return

Social security number

(a) Description of property (Identify S corporation stock) Example 100 shares of "Z" (S stock)	(b) Sales price	(c) Cost or other basis	(d) Loss. If (c) is more than (b), subtract (b) from (c)	(e) Gain. If (b) is more than (c), subtract (c) from (b)
<b>1a</b>				
<b>1b</b>				
<b>2</b> Net gain or (loss) shown on California Schedule(s) K-1 (541, 565, 568, and 100S) .....			<b>2</b>	
<b>3</b> Capital gain distributions (federal Form 1099-DIV, box 2a minus box 2d) .....				<b>3</b>
<b>4</b> Total 2002 gains from all sources. Add column (e) amounts of line 1a, line 1b, line 2, and line 3 .....				<b>4</b>
<b>5</b> 2002 loss. Add column (d) amounts of line 1 and line 2. Enter as a negative amount .....			<b>5</b>	
<b>6</b> California capital loss carryover from 2001, if any. See instructions. Enter as a negative amount ..			<b>6</b>	
<b>7</b> Total 2002 loss. Add line 5 and line 6. Enter as a negative amount .....			<b>7</b>	
<b>8</b> Combine line 4 and line 7. If a loss, go to line 9. If a gain, go to line 10 .....				<b>8</b>
<b>9</b> If line 8 is a loss, enter the smaller of: (a) the loss on line 8; or (b) \$3,000 (\$1,500 if married filing a separate return). See instructions ...				<b>9</b>
<b>10</b> Enter the amount from federal Form 1040, line 13 .....				<b>10</b>
<b>11</b> Enter the California gain from line 8 or loss from line 9 .....				<b>11</b>
<b>12 a</b> If line 10 is more than line 11, enter the difference here and on Schedule CA (540 or 540NR) line 13, col. B .....				<b>12a</b>
<b>b</b> If line 10 is less than line 11, enter the difference here and on Schedule CA (540 or 540NR), line 13, col. C .....				<b>12b</b>

TAXABLE YEAR

**Depreciation and Amortization Adjustments**

CALIFORNIA FORM

**2002**

Do not complete this form if your California depreciation amounts are the same as federal amounts.

**3885A****Part I Identify the activity as passive or nonpassive.** (See instructions.)

Business or activity to which form FTB 3885A relates

- 1** ☐ This form is being completed for a passive activity.  
☐ This form is being completed for a nonpassive activity.

**Part II Election to Expense Certain Tangible Property (IRC Section 179).****2** Enter the amount from line 12 of the Tangible Property Expense Worksheet in the instructions .....

(a) Description of property placed in service	(b) Date placed in service	(c) California basis for depreciation	(d) Method	(e) Life or rate	(f) California depreciation deduction
<b>3</b>					

- 4** Add the amounts on line 3, column (f) .....

**5** California depreciation for assets placed in service prior to 2002 .....

**6** Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5 .....

**7** Total federal depreciation from this activity. Enter depreciation from your federal Form 4562, line 22 .....

**8 a** If line 6 is more than line 7, enter the difference here and see instructions .....

**b** If line 6 is less than line 7, enter the difference here and see instructions .....

(a) Description of cost amortizable	(b) Date placed in service	(c) California basis for amortization	(d) Code section	(e) Period or percentage	(f) California amortization deduction
<b>9</b>					

- 10** Total California amortization from this activity. Add the amounts on line 9, column (f) .....

**11** California amortization of costs that began before 2002 .....

**12** Total California amortization from this activity. Add the amounts on line 10 and line 11 .....

**13** Total federal amortization from this activity. Enter amortization from your federal Form 4562, line 44 .....

**14 a** If line 12 is more than line 13, enter the difference here and see instructions .....

**b** If line 12 is less than line 13, enter the difference here and see instructions .....

**Line 12a** – Enter the difference on line 12a and on Schedule CA (540 or 540NR), line 13, column B.

**For example:**

**Loss on line 10 is less than loss on line 11.**

Federal loss on line 10 is ..... \$1,000  
California loss on line 11 is ..... \$2,000  
Subtract line 10 from line 11 ..... \$1,000

**Gain on line 10 and loss on line 11.**

Federal gain on line 10 is ..... \$3,000  
California loss on line 11 is ..... \$3,000  
Add line 10 and line 11 ..... \$6,000

**Line 12b** – Enter the difference on line 12b and on Schedule CA (540 or 540NR), line 13, column C.

**For example:**

**Loss on line 10 is more than loss on line 11.**

Federal loss on line 10 is ..... \$2,000  
California loss on line 11 is ..... \$1,000  
Subtract line 11 from line 10 ..... \$1,000

**Loss on line 10 and gain on line 11.**

Federal loss on line 10 is ..... \$2,000  
California gain on line 11 is ..... \$5,000  
Add line 10 and line 11 ..... \$7,000

**California Capital Loss Carryover Worksheet For Full-Year Residents**

1. Loss from Schedule D (540NR), line 11, stated as a positive number	1	_____
2. Amount from Form 540 or Long Form 540NR, line 17	2	_____
3. Amount from Form 540 or Long Form 540NR, line 18	3	_____
4. Subtract line 3 from line 2. If less than zero, enter as a negative amount	4	_____
5. Combine line 1 and line 4. If less than zero, enter -0-	5	_____
6. Enter loss from Schedule D (540NR), line 8 as a positive number	6	_____
7. Enter the smaller of line 1 or line 5	7	_____
8. Subtract line 7 from line 6. This is your capital loss carryover to 2003	8	_____

**Schedule D (540NR) Worksheet for Nonresidents and Part-Year Residents**

**Note:** Complete Schedule D (540NR) first.

**Full year nonresidents:** Complete column A and column B only. Enter the amount shown in column B, line 4 (if there is an overall gain) or line 5 (if there is a loss), on Schedule CA (540NR) line 13, column E.

**Part-year Residents:**

Enter the number of days during the year you were a CA resident: \_\_\_\_\_.

Enter the number of days during the year you were a nonresident: \_\_\_\_\_.

**Column A**, line 1 through line 5 should be the same as the amounts shown on Schedule D (540NR), lines 4, 5, 6, 8 and 9 respectively.

**Columns A and B**, line 3, should show a carryover amount that has been computed as if you had been a resident in all prior years for column A and as if you had been a nonresident for all prior years for column B.

**Columns C and D** should be completed using the dates of transactions. If the dates are unknown because they were not specifically reported to you, then you will need to pro-rate the amounts. For Column C, multiply the amount in Column A by the number of days you were a resident divided by 365 days. For Column D, multiply the amount in Column B by the number of days you were a nonresident divided by 365 days.

**Column E**

**Line 4** If the amount shown in column E is a gain, enter that amount on Schedule CA (540NR) line 13, column E. If a loss, go to line 5.

**Line 5** Enter the amount shown in column E on Schedule CA (540NR) line 13.

	A	B	C	D	E
	Enter total as if you were a CA resident for the entire year.	Enter amounts earned or received from CA sources as if you were a nonresident for the entire year.	Enter amounts earned or received during the portion of the year you were a CA resident.	Enter amounts earned or received from CA sources during the portion Of the year you were a nonresident.	Total Combine column C and column D.
1	Gains				
2	Losses				
3	Prior year loss carryover.				
4	Combine line 1 through line 3.				
5	Enter the smaller of the loss on line 4 or \$3,000 (\$1,500 if married filing separately).				

**Capital Loss Carryover Worksheet**

**Note:** Complete this worksheet only if at the end of the year you were a resident and line 4 of column A shows a loss or at the end of the year you were a nonresident and line 4 of column B shows a loss. In completing this worksheet, if you were a resident at the end of the year, use the column A amounts shown above; if you were a nonresident, use column B amounts.

1	Enter the loss from the Schedule D Worksheet, line 5, as a positive number	
2	Amount from Long Form 540NR, line 17	
3	Amount from Long Form 540NR, line 18	
4	Subtract line 3 from line 2. If less than zero, enter as a negative amount	
5	Combine line 1 and line 4. If less than zero, enter -0-	
6	Loss from Schedule D worksheet, line 4	
7	Enter the smaller of line 1 or line 5	
8	Subtract line 7 from line 6. This is your capital loss carryover to 2003	

# Instructions for Form FTB 3519

## Payment Voucher for Automatic Extension for Individuals

### General Information

Use form FTB 3519 **only** if:

- You cannot file your 2002 return\* by April 15, 2003; **and**
- You owe tax for 2002.

Use the worksheet below to determine if you owe tax.

- If you **do not** owe tax, there is nothing to file at this time. Do not complete or mail this voucher. But, you must file your return by October 15, 2003.
- If you owe tax, choose one of the following payment options. Be sure to pay by April 15, 2003 to avoid penalties and interest. See Penalties and Interest for more information.

**Check or Money Order:** Complete the payment voucher below and mail it with your check or money order to the Franchise Tax Board (FTB).

**Web Payment:** Visit FTB's Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and request an electronic funds withdrawal from your bank account for the amount you owe. Do not mail the voucher to us.

**Credit Card:** Use your Discover/NOVUS, MasterCard, American Express, or Visa card to pay your tax. Call (800) 272-9829 or visit the Website [www.officialpayments.com](http://www.officialpayments.com), and use the jurisdiction code 1555. Official Payments Corp. charges a convenience fee for using this service. Do not mail the voucher to us.

**Installment Agreement:** If you are not able to fully pay your income tax, visit our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) or get FTB 3567 Booklet, Installment Agreement Request Booklet.

\*When you do file your 2002 return, you can e-file. Go to our Website at: [www.ftb.ca.gov](http://www.ftb.ca.gov). Otherwise, you must use Form 540A, Form 540, or Long Form 540NR. Note: If you use form FTB 3519, you may not file Form 540 2EZ or Short Form 540NR.

**Name and Address.** Be sure to fill in your complete name(s), address, and social security number(s) on the voucher. If you lease a private mailbox (PMB) from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

### Penalties and Interest

If you fail to pay your total tax liability by April 15, 2003, a late-payment penalty plus interest will be added to your tax due. If after April 15, 2003, you find that your estimate of tax due was too low, you should pay the additional tax as soon as possible to avoid further accumulation of penalties and interest. Pay your additional tax with another form FTB 3519 voucher. If you do not file your tax return by October 15, 2003, you will be assessed a late-filing penalty plus interest from the original due date of the return.

**Note:** For the 2002 taxable year only, no addition to tax will apply with respect to any underpayment of estimated tax to the extent the underpayment of an installment was created or increased by the provisions of law enacted or amended by an act chaptered during the 2002 calendar year. To request a waiver of underpayment of estimated tax penalty, see form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

### Taxpayers Residing or Traveling Outside the USA

If you are living or traveling outside the USA on April 15, 2003, the deadline to file your return and pay the tax is June 16, 2003. Interest will accrue from the original due date (April 15, 2003) until the date of payment. If you need additional time to file your tax return, you will be allowed an automatic six-month extension without filing a written request. To qualify for the extension, you must file your tax return by December 15, 2003. To avoid any late-payment penalties, you must pay 100% of your tax liability by June 16, 2003. When filing your tax return, be sure to attach a statement to the front indicating that you were "outside the USA on April 15, 2003."

### TAX PAYMENT WORKSHEET FOR YOUR RECORDS

- 1 Total tax you expect to owe. This is the amount you expect to enter on Form 540A, line 23; Form 540, line 37; or Long Form 540NR, line 46 ..... **1** \_\_\_\_\_
- 2 Payments and credits:
  - a California income tax withheld (including nonresident withholding) ..... **2a** \_\_\_\_\_
  - b California estimated tax payments and amount applied from your 2001 tax return ..... **2b** \_\_\_\_\_  
(Note: You can check the estimated tax payments we've received by going to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov))
  - c Other payments and credits, including any tax payments made with any previous form FTB 3519 voucher ..... **2c** \_\_\_\_\_
- 3 Total tax payments and credits. Add line 2a, line 2b, and line 2c ..... **3** \_\_\_\_\_
- 4 Tax due. Is line 1 more than line 3? ..... **4** \_\_\_\_\_
  - **No. Stop here.** You have no tax due. **DO NOT MAIL THE PAYMENT VOUCHER.** Your return, when filed by October 15, 2003, will verify that you qualified for the extension.
  - **Yes.** Subtract line 3 from line 1. This is your tax due. Enter the tax due amount from line 4 as the "Amount of payment" on the form FTB 3519 voucher below. Fill in your name(s), address, and social security number(s), and separate the voucher from this page where it says "DETACH HERE." Make a check or money order payable to "Franchise Tax Board." Also write your social security number and "2002 FTB 3519" on the check or money order. Mail both the check or money order and the voucher to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0051**

✓ Keep this completed worksheet with your tax records.

✂ DETACH HERE — — — — — IF NO PAYMENT IS DUE, DO NOT MAIL — — — — — DETACH HERE — ✂

TAXABLE YEAR

**2002**

## Payment Voucher for Automatic Extension for Individuals

Calendar year –  
Due April 15, 2003

CALIFORNIA FORM

**3519 (PIT)**

Your first name	Initial	Last name	Your social security number
If joint payment, spouse's first name	Initial	Last name	Spouse's social security number
Present home address – number and street, PO Box, or rural route			Apt. no. PMB no.
City, town, or post office			State ZIP Code

IF PAYMENT IS DUE, MAIL TO:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0051

If amount of payment is  
zero, do not mail form } ➤

Amount of payment									

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**Go to our Website:**

**[www.ftb.ca.gov](http://www.ftb.ca.gov)**

# 2002 California Tax Table

## To Find Your Tax:

- Read down the column labeled "If Your Taxable Income Is . . ." to find the range that includes your total taxable income from Long or Short Forms 540NR, line 19.
- Read across the columns labeled "The Tax For Filing Status" until you find the tax that applies for your taxable income and filing status.

Filing status: 1 or 3 (Single; Married Filing Separately)						2 or 5 (Married Filing Jointly; Qualifying Widow(er))						4 (Head of Household)					
If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status					
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is			
1	50	0	0	0	6,451	6,550	72	65	65	12,951	13,050	202	143	143			
51	150	1	1	1	6,551	6,650	74	66	66	13,051	13,150	204	145	145			
151	250	2	2	2	6,651	6,750	76	67	67	13,151	13,250	206	147	147			
251	350	3	3	3	6,751	6,850	78	68	68	13,251	13,350	208	149	149			
351	450	4	4	4	6,851	6,950	80	69	69	13,351	13,450	210	151	151			
451	550	5	5	5	6,951	7,050	82	70	70	13,451	13,550	212	153	153			
551	650	6	6	6	7,051	7,150	84	71	71	13,551	13,650	214	155	155			
651	750	7	7	7	7,151	7,250	86	72	72	13,651	13,750	216	157	157			
751	850	8	8	8	7,251	7,350	88	73	73	13,751	13,850	218	159	159			
851	950	9	9	9	7,351	7,450	90	74	74	13,851	13,950	221	161	161			
951	1,050	10	10	10	7,451	7,550	92	75	75	13,951	14,050	225	163	163			
1,051	1,150	11	11	11	7,551	7,650	94	76	76	14,051	14,150	229	165	165			
1,151	1,250	12	12	12	7,651	7,750	96	77	77	14,151	14,250	233	167	167			
1,251	1,350	13	13	13	7,751	7,850	98	78	78	14,251	14,350	237	169	169			
1,351	1,450	14	14	14	7,851	7,950	100	79	79	14,351	14,450	241	171	171			
1,451	1,550	15	15	15	7,951	8,050	102	80	80	14,451	14,550	245	173	173			
1,551	1,650	16	16	16	8,051	8,150	104	81	81	14,551	14,650	249	175	175			
1,651	1,750	17	17	17	8,151	8,250	106	82	82	14,651	14,750	253	177	177			
1,751	1,850	18	18	18	8,251	8,350	108	83	83	14,751	14,850	257	179	179			
1,851	1,950	19	19	19	8,351	8,450	110	84	84	14,851	14,950	261	181	181			
1,951	2,050	20	20	20	8,451	8,550	112	85	85	14,951	15,050	265	183	183			
2,051	2,150	21	21	21	8,551	8,650	114	86	86	15,051	15,150	269	185	185			
2,151	2,250	22	22	22	8,651	8,750	116	87	87	15,151	15,250	273	187	187			
2,251	2,350	23	23	23	8,751	8,850	118	88	88	15,251	15,350	277	189	189			
2,351	2,450	24	24	24	8,851	8,950	120	89	89	15,351	15,450	281	191	191			
2,451	2,550	25	25	25	8,951	9,050	122	90	90	15,451	15,550	285	193	193			
2,551	2,650	26	26	26	9,051	9,150	124	91	91	15,551	15,650	289	195	195			
2,651	2,750	27	27	27	9,151	9,250	126	92	92	15,651	15,750	293	197	197			
2,751	2,850	28	28	28	9,251	9,350	128	93	93	15,751	15,850	297	199	199			
2,851	2,950	29	29	29	9,351	9,450	130	94	94	15,851	15,950	301	201	201			
2,951	3,050	30	30	30	9,451	9,550	132	95	95	15,951	16,050	305	203	203			
3,051	3,150	31	31	31	9,551	9,650	134	96	96	16,051	16,150	309	205	205			
3,151	3,250	32	32	32	9,651	9,750	136	97	97	16,151	16,250	313	207	207			
3,251	3,350	33	33	33	9,751	9,850	138	98	98	16,251	16,350	317	209	209			
3,351	3,450	34	34	34	9,851	9,950	140	99	99	16,351	16,450	321	211	211			
3,451	3,550	35	35	35	9,951	10,050	142	100	100	16,451	16,550	325	213	213			
3,551	3,650	36	36	36	10,051	10,150	144	101	101	16,551	16,650	329	215	215			
3,651	3,750	37	37	37	10,151	10,250	146	102	102	16,651	16,750	333	217	217			
3,751	3,850	38	38	38	10,251	10,350	148	103	103	16,751	16,850	337	219	219			
3,851	3,950	39	39	39	10,351	10,450	150	104	104	16,851	16,950	341	221	221			
3,951	4,050	40	40	40	10,451	10,550	152	105	105	16,951	17,050	345	223	223			
4,051	4,150	41	41	41	10,551	10,650	154	106	106	17,051	17,150	349	225	225			
4,151	4,250	42	42	42	10,651	10,750	156	107	107	17,151	17,250	353	227	227			
4,251	4,350	43	43	43	10,751	10,850	158	108	108	17,251	17,350	357	229	229			
4,351	4,450	44	44	44	10,851	10,950	160	109	109	17,351	17,450	361	231	231			
4,451	4,550	45	45	45	10,951	11,050	162	110	110	17,451	17,550	365	233	233			
4,551	4,650	46	46	46	11,051	11,150	164	111	111	17,551	17,650	369	235	235			
4,651	4,750	47	47	47	11,151	11,250	166	112	112	17,651	17,750	373	237	237			
4,751	4,850	48	48	48	11,251	11,350	168	113	113	17,751	17,850	377	239	239			
4,851	4,950	49	49	49	11,351	11,450	170	114	114	17,851	17,950	381	241	241			
4,951	5,050	50	50	50	11,451	11,550	172	115	115	17,951	18,050	385	243	243			
5,051	5,150	51	51	51	11,551	11,650	174	116	116	18,051	18,150	389	245	245			
5,151	5,250	52	52	52	11,651	11,750	176	117	117	18,151	18,250	393	247	247			
5,251	5,350	53	53	53	11,751	11,850	178	119	119	18,251	18,350	397	249	249			
5,351	5,450	54	54	54	11,851	11,950	180	121	121	18,351	18,450	401	251	251			
5,451	5,550	55	55	55	11,951	12,050	182	123	123	18,451	18,550	405	253	253			
5,551	5,650	56	56	56	12,051	12,150	184	125	125	18,551	18,650	409	255	255			
5,651	5,750	57	57	57	12,151	12,250	186	127	127	18,651	18,750	413	257	257			
5,751	5,850	58	58	58	12,251	12,350	188	129	129	18,751	18,850	417	259	259			
5,851	5,950	60	59	59	12,351	12,450	190	131	131	18,851	18,950	421	261	261			
5,951	6,050	62	60	60	12,451	12,550	192	133	133	18,951	19,050	425	263	263			
6,051	6,150	64	61	61	12,551	12,650	194	135	135	19,051	19,150	429	265	265			
6,151	6,250	66	62	62	12,651	12,750	196	137	137	19,151	19,250	433	267	267			
6,251	6,350	68	63	63	12,751	12,850	198	139	139	19,251	19,350	437	269	269			
6,351	6,450	70	64	64	12,851	12,950	200	141	141	19,351	19,450	441	271	271			

Continued on next page.

# 2002 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married Filing Jointly; Qualifying Widow(er)) 4 (Head of Household)														
If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
19,451	19,550	445	273	273	26,451	26,550	819	413	413	33,451	33,550	1,303	670	670
19,551	19,650	449	275	275	26,551	26,650	825	415	415	33,551	33,650	1,311	674	674
19,651	19,750	453	277	277	26,651	26,750	831	417	417	33,651	33,750	1,319	678	678
19,751	19,850	457	279	279	26,751	26,850	837	419	419	33,751	33,850	1,327	682	682
19,851	19,950	461	281	281	26,851	26,950	843	421	421	33,851	33,950	1,335	686	686
19,951	20,050	465	283	283	26,951	27,050	849	423	423	33,951	34,050	1,343	690	690
20,051	20,150	469	285	285	27,051	27,150	855	425	425	34,051	34,150	1,351	694	694
20,151	20,250	473	287	287	27,151	27,250	861	427	427	34,151	34,250	1,359	698	698
20,251	20,350	477	289	289	27,251	27,350	867	429	429	34,251	34,350	1,367	702	702
20,351	20,450	481	291	291	27,351	27,450	873	431	431	34,351	34,450	1,375	706	706
20,451	20,550	485	293	293	27,451	27,550	879	433	433	34,451	34,550	1,383	710	710
20,551	20,650	489	295	295	27,551	27,650	885	435	435	34,551	34,650	1,391	714	714
20,651	20,750	493	297	297	27,651	27,750	891	438	438	34,651	34,750	1,399	718	718
20,751	20,850	497	299	299	27,751	27,850	897	442	442	34,751	34,850	1,407	722	722
20,851	20,950	501	301	301	27,851	27,950	903	446	446	34,851	34,950	1,415	726	726
20,951	21,050	505	303	303	27,951	28,050	909	450	450	34,951	35,050	1,423	730	730
21,051	21,150	509	305	305	28,051	28,150	915	454	454	35,051	35,150	1,431	734	734
21,151	21,250	513	307	307	28,151	28,250	921	458	458	35,151	35,250	1,439	738	738
21,251	21,350	517	309	309	28,251	28,350	927	462	462	35,251	35,350	1,447	742	742
21,351	21,450	521	311	311	28,351	28,450	933	466	466	35,351	35,450	1,455	746	746
21,451	21,550	525	313	313	28,451	28,550	939	470	470	35,451	35,550	1,463	750	750
21,551	21,650	529	315	315	28,551	28,650	945	474	474	35,551	35,650	1,471	754	754
21,651	21,750	533	317	317	28,651	28,750	951	478	478	35,651	35,750	1,479	758	759
21,751	21,850	537	319	319	28,751	28,850	957	482	482	35,751	35,850	1,487	762	765
21,851	21,950	543	321	321	28,851	28,950	963	486	486	35,851	35,950	1,495	766	771
21,951	22,050	549	323	323	28,951	29,050	969	490	490	35,951	36,050	1,503	770	777
22,051	22,150	555	325	325	29,051	29,150	975	494	494	36,051	36,150	1,511	774	783
22,151	22,250	561	327	327	29,151	29,250	981	498	498	36,151	36,250	1,519	778	789
22,251	22,350	567	329	329	29,251	29,350	987	502	502	36,251	36,350	1,527	782	795
22,351	22,450	573	331	331	29,351	29,450	993	506	506	36,351	36,450	1,535	786	801
22,451	22,550	579	333	333	29,451	29,550	999	510	510	36,451	36,550	1,543	790	807
22,551	22,650	585	335	335	29,551	29,650	1,005	514	514	36,551	36,650	1,551	794	813
22,651	22,750	591	337	337	29,651	29,750	1,011	518	518	36,651	36,750	1,559	798	819
22,751	22,850	597	339	339	29,751	29,850	1,017	522	522	36,751	36,850	1,567	802	825
22,851	22,950	603	341	341	29,851	29,950	1,023	526	526	36,851	36,950	1,575	806	831
22,951	23,050	609	343	343	29,951	30,050	1,029	530	530	36,951	37,050	1,583	810	837
23,051	23,150	615	345	345	30,051	30,150	1,035	534	534	37,051	37,150	1,591	814	843
23,151	23,250	621	347	347	30,151	30,250	1,041	538	538	37,151	37,250	1,599	818	849
23,251	23,350	627	349	349	30,251	30,350	1,047	542	542	37,251	37,350	1,607	822	855
23,351	23,450	633	351	351	30,351	30,450	1,055	546	546	37,351	37,450	1,615	826	861
23,451	23,550	639	353	353	30,451	30,550	1,063	550	550	37,451	37,550	1,623	830	867
23,551	23,650	645	355	355	30,551	30,650	1,071	554	554	37,551	37,650	1,631	834	873
23,651	23,750	651	357	357	30,651	30,750	1,079	558	558	37,651	37,750	1,639	838	879
23,751	23,850	657	359	359	30,751	30,850	1,087	562	562	37,751	37,850	1,647	842	885
23,851	23,950	663	361	361	30,851	30,950	1,095	566	566	37,851	37,950	1,655	846	891
23,951	24,050	669	363	363	30,951	31,050	1,103	570	570	37,951	38,050	1,663	850	897
24,051	24,150	675	365	365	31,051	31,150	1,111	574	574	38,051	38,150	1,671	854	903
24,151	24,250	681	367	367	31,151	31,250	1,119	578	578	38,151	38,250	1,679	858	909
24,251	24,350	687	369	369	31,251	31,350	1,127	582	582	38,251	38,350	1,687	862	915
24,351	24,450	693	371	371	31,351	31,450	1,135	586	586	38,351	38,450	1,696	866	921
24,451	24,550	699	373	373	31,451	31,550	1,143	590	590	38,451	38,550	1,705	870	927
24,551	24,650	705	375	375	31,551	31,650	1,151	594	594	38,551	38,650	1,715	874	933
24,651	24,750	711	377	377	31,651	31,750	1,159	598	598	38,651	38,750	1,724	878	939
24,751	24,850	717	379	379	31,751	31,850	1,167	602	602	38,751	38,850	1,733	882	945
24,851	24,950	723	381	381	31,851	31,950	1,175	606	606	38,851	38,950	1,743	886	951
24,951	25,050	729	383	383	31,951	32,050	1,183	610	610	38,951	39,050	1,752	890	957
25,051	25,150	735	385	385	32,051	32,150	1,191	614	614	39,051	39,150	1,761	894	963
25,151	25,250	741	387	387	32,151	32,250	1,199	618	618	39,151	39,250	1,770	898	969
25,251	25,350	747	389	389	32,251	32,350	1,207	622	622	39,251	39,350	1,780	902	975
25,351	25,450	753	391	391	32,351	32,450	1,215	626	626	39,351	39,450	1,789	906	981
25,451	25,550	759	393	393	32,451	32,550	1,223	630	630	39,451	39,550	1,798	910	987
25,551	25,650	765	395	395	32,551	32,650	1,231	634	634	39,551	39,650	1,808	914	993
25,651	25,750	771	397	397	32,651	32,750	1,239	638	638	39,651	39,750	1,817	918	999
25,751	25,850	777	399	399	32,751	32,850	1,247	642	642	39,751	39,850	1,826	922	1,005
25,851	25,950	783	401	401	32,851	32,950	1,255	646	646	39,851	39,950	1,836	926	1,011
25,951	26,050	789	403	403	32,951	33,050	1,263	650	650	39,951	40,050	1,845	930	1,017
26,051	26,150	795	405	405	33,051	33,150	1,271	654	654	40,051	40,150	1,854	934	1,023
26,151	26,250	801	407	407	33,151	33,250	1,279	658	658	40,151	40,250	1,863	938	1,029
26,251	26,350	807	409	409	33,251	33,350	1,287	662	662	40,251	40,350	1,873	942	1,035
26,351	26,450	813	411	411	33,351	33,450	1,295	666	666	40,351	40,450	1,882	946	1,041

Continued on next page.

# 2002 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married Filing Jointly; Qualifying Widow(er)) 4 (Head of Household)														
If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
40,451	40,550	1,891	950	1,047	47,451	47,550	2,542	1,307	1,535	54,451	54,550	3,193	1,727	2,125
40,551	40,650	1,901	954	1,053	47,551	47,650	2,552	1,313	1,543	54,551	54,650	3,203	1,733	2,135
40,651	40,750	1,910	958	1,059	47,651	47,750	2,561	1,319	1,551	54,651	54,750	3,212	1,739	2,144
40,751	40,850	1,919	962	1,065	47,751	47,850	2,570	1,325	1,559	54,751	54,850	3,221	1,745	2,153
40,851	40,950	1,929	966	1,071	47,851	47,950	2,580	1,331	1,567	54,851	54,950	3,231	1,751	2,163
40,951	41,050	1,938	970	1,077	47,951	48,050	2,589	1,337	1,575	54,951	55,050	3,240	1,757	2,172
41,051	41,150	1,947	974	1,083	48,051	48,150	2,598	1,343	1,583	55,051	55,150	3,249	1,763	2,181
41,151	41,250	1,956	978	1,089	48,151	48,250	2,607	1,349	1,591	55,151	55,250	3,258	1,769	2,191
41,251	41,350	1,966	982	1,095	48,251	48,350	2,617	1,355	1,599	55,251	55,350	3,268	1,775	2,200
41,351	41,450	1,975	986	1,101	48,351	48,450	2,626	1,361	1,607	55,351	55,450	3,277	1,781	2,209
41,451	41,550	1,984	990	1,107	48,451	48,550	2,635	1,367	1,615	55,451	55,550	3,286	1,787	2,218
41,551	41,650	1,994	994	1,113	48,551	48,650	2,645	1,373	1,623	55,551	55,650	3,296	1,793	2,228
41,651	41,750	2,003	998	1,119	48,651	48,750	2,654	1,379	1,631	55,651	55,750	3,305	1,799	2,237
41,751	41,850	2,012	1,002	1,125	48,751	48,850	2,663	1,385	1,639	55,751	55,850	3,314	1,805	2,246
41,851	41,950	2,022	1,006	1,131	48,851	48,950	2,673	1,391	1,647	55,851	55,950	3,324	1,811	2,256
41,951	42,050	2,031	1,010	1,137	48,951	49,050	2,682	1,397	1,655	55,951	56,050	3,333	1,817	2,265
42,051	42,150	2,040	1,014	1,143	49,051	49,150	2,691	1,403	1,663	56,051	56,150	3,342	1,823	2,274
42,151	42,250	2,049	1,018	1,149	49,151	49,250	2,700	1,409	1,671	56,151	56,250	3,351	1,829	2,284
42,251	42,350	2,059	1,022	1,155	49,251	49,350	2,710	1,415	1,679	56,251	56,350	3,361	1,835	2,293
42,351	42,450	2,068	1,026	1,161	49,351	49,450	2,719	1,421	1,687	56,351	56,450	3,370	1,841	2,302
42,451	42,550	2,077	1,030	1,167	49,451	49,550	2,728	1,427	1,695	56,451	56,550	3,379	1,847	2,311
42,551	42,650	2,087	1,034	1,173	49,551	49,650	2,738	1,433	1,703	56,551	56,650	3,389	1,853	2,321
42,651	42,750	2,096	1,038	1,179	49,651	49,750	2,747	1,439	1,711	56,651	56,750	3,398	1,859	2,330
42,751	42,850	2,105	1,042	1,185	49,751	49,850	2,756	1,445	1,719	56,751	56,850	3,407	1,865	2,339
42,851	42,950	2,115	1,046	1,191	49,851	49,950	2,766	1,451	1,727	56,851	56,950	3,417	1,871	2,349
42,951	43,050	2,124	1,050	1,197	49,951	50,050	2,775	1,457	1,735	56,951	57,050	3,426	1,877	2,358
43,051	43,150	2,133	1,054	1,203	50,051	50,150	2,784	1,463	1,743	57,051	57,150	3,435	1,883	2,367
43,151	43,250	2,142	1,058	1,209	50,151	50,250	2,793	1,469	1,751	57,151	57,250	3,444	1,889	2,377
43,251	43,350	2,152	1,062	1,215	50,251	50,350	2,803	1,475	1,759	57,251	57,350	3,454	1,895	2,386
43,351	43,450	2,161	1,066	1,221	50,351	50,450	2,812	1,481	1,767	57,351	57,450	3,463	1,901	2,395
43,451	43,550	2,170	1,070	1,227	50,451	50,550	2,821	1,487	1,775	57,451	57,550	3,472	1,907	2,404
43,551	43,650	2,180	1,074	1,233	50,551	50,650	2,831	1,493	1,783	57,551	57,650	3,482	1,913	2,414
43,651	43,750	2,189	1,079	1,239	50,651	50,750	2,840	1,499	1,791	57,651	57,750	3,491	1,919	2,423
43,751	43,850	2,198	1,085	1,245	50,751	50,850	2,849	1,505	1,799	57,751	57,850	3,500	1,925	2,432
43,851	43,950	2,208	1,091	1,251	50,851	50,950	2,859	1,511	1,807	57,851	57,950	3,510	1,931	2,442
43,951	44,050	2,217	1,097	1,257	50,951	51,050	2,868	1,517	1,815	57,951	58,050	3,519	1,937	2,451
44,051	44,150	2,226	1,103	1,263	51,051	51,150	2,877	1,523	1,823	58,051	58,150	3,528	1,943	2,460
44,151	44,250	2,235	1,109	1,271	51,151	51,250	2,886	1,529	1,831	58,151	58,250	3,537	1,949	2,470
44,251	44,350	2,245	1,115	1,279	51,251	51,350	2,896	1,535	1,839	58,251	58,350	3,547	1,955	2,479
44,351	44,450	2,254	1,121	1,287	51,351	51,450	2,905	1,541	1,847	58,351	58,450	3,556	1,961	2,488
44,451	44,550	2,263	1,127	1,295	51,451	51,550	2,914	1,547	1,855	58,451	58,550	3,565	1,967	2,497
44,551	44,650	2,273	1,133	1,303	51,551	51,650	2,924	1,553	1,863	58,551	58,650	3,575	1,973	2,507
44,651	44,750	2,282	1,139	1,311	51,651	51,750	2,933	1,559	1,871	58,651	58,750	3,584	1,979	2,516
44,751	44,850	2,291	1,145	1,319	51,751	51,850	2,942	1,565	1,879	58,751	58,850	3,593	1,985	2,525
44,851	44,950	2,301	1,151	1,327	51,851	51,950	2,952	1,571	1,887	58,851	58,950	3,603	1,991	2,535
44,951	45,050	2,310	1,157	1,335	51,951	52,050	2,961	1,577	1,895	58,951	59,050	3,612	1,997	2,544
45,051	45,150	2,319	1,163	1,343	52,051	52,150	2,970	1,583	1,903	59,051	59,150	3,621	2,003	2,553
45,151	45,250	2,328	1,169	1,351	52,151	52,250	2,979	1,589	1,912	59,151	59,250	3,630	2,009	2,563
45,251	45,350	2,338	1,175	1,359	52,251	52,350	2,989	1,595	1,921	59,251	59,350	3,640	2,015	2,572
45,351	45,450	2,347	1,181	1,367	52,351	52,450	2,998	1,601	1,930	59,351	59,450	3,649	2,021	2,581
45,451	45,550	2,356	1,187	1,375	52,451	52,550	3,007	1,607	1,939	59,451	59,550	3,658	2,027	2,590
45,551	45,650	2,366	1,193	1,383	52,551	52,650	3,017	1,613	1,949	59,551	59,650	3,668	2,033	2,600
45,651	45,750	2,375	1,199	1,391	52,651	52,750	3,026	1,619	1,958	59,651	59,750	3,677	2,039	2,609
45,751	45,850	2,384	1,205	1,399	52,751	52,850	3,035	1,625	1,967	59,751	59,850	3,686	2,045	2,618
45,851	45,950	2,394	1,211	1,407	52,851	52,950	3,045	1,631	1,977	59,851	59,950	3,696	2,051	2,628
45,951	46,050	2,403	1,217	1,415	52,951	53,050	3,054	1,637	1,986	59,951	60,050	3,705	2,057	2,637
46,051	46,150	2,412	1,223	1,423	53,051	53,150	3,063	1,643	1,995	60,051	60,150	3,714	2,063	2,646
46,151	46,250	2,421	1,229	1,431	53,151	53,250	3,072	1,649	2,005	60,151	60,250	3,723	2,069	2,656
46,251	46,350	2,431	1,235	1,439	53,251	53,350	3,082	1,655	2,014	60,251	60,350	3,733	2,075	2,665
46,351	46,450	2,440	1,241	1,447	53,351	53,450	3,091	1,661	2,023	60,351	60,450	3,742	2,081	2,674
46,451	46,550	2,449	1,247	1,455	53,451	53,550	3,100	1,667	2,032	60,451	60,550	3,751	2,087	2,683
46,551	46,650	2,459	1,253	1,463	53,551	53,650	3,110	1,673	2,042	60,551	60,650	3,761	2,093	2,693
46,651	46,750	2,468	1,259	1,471	53,651	53,750	3,119	1,679	2,051	60,651	60,750	3,770	2,101	2,702
46,751	46,850	2,477	1,265	1,479	53,751	53,850	3,128	1,685	2,060	60,751	60,850	3,779	2,109	2,711
46,851	46,950	2,487	1,271	1,487	53,851	53,950	3,138	1,691	2,070	60,851	60,950	3,789	2,117	2,721
46,951	47,050	2,496	1,277	1,495	53,951	54,050	3,147	1,697	2,079	60,951	61,050	3,798	2,125	2,730
47,051	47,150	2,505	1,283	1,503	54,051	54,150	3,156	1,703	2,088	61,051	61,150	3,807	2,133	2,739
47,151	47,250	2,514	1,289	1,511	54,151	54,250	3,165	1,709	2,098	61,151	61,250	3,816	2,141	2,749
47,251	47,350	2,524	1,295	1,519	54,251	54,350	3,175	1,715	2,107	61,251	61,350	3,826	2,149	2,758
47,351	47,450	2,533	1,301	1,527	54,351	54,450	3,184	1,721	2,116	61,351	61,450	3,835	2,157	2,767

Continued on next page.



# 2002 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married Filing Jointly; Qualifying Widow(er)) 4 (Head of Household)														
If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status			If Your Taxable Income Is . . .		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
61,451	61,550	3,844	2,165	2,776	68,451	68,550	4,495	2,725	3,427	75,451	75,550	5,146	3,285	4,078
61,551	61,650	3,854	2,173	2,786	68,551	68,650	4,505	2,733	3,437	75,551	75,650	5,156	3,293	4,088
61,651	61,750	3,863	2,181	2,795	68,651	68,750	4,514	2,741	3,446	75,651	75,750	5,165	3,301	4,097
61,751	61,850	3,872	2,189	2,804	68,751	68,850	4,523	2,749	3,455	75,751	75,850	5,174	3,309	4,106
61,851	61,950	3,882	2,197	2,814	68,851	68,950	4,533	2,757	3,465	75,851	75,950	5,184	3,317	4,116
61,951	62,050	3,891	2,205	2,823	68,951	69,050	4,542	2,765	3,474	75,951	76,050	5,193	3,325	4,125
62,051	62,150	3,900	2,213	2,832	69,051	69,150	4,551	2,773	3,483	76,051	76,150	5,202	3,333	4,134
62,151	62,250	3,909	2,221	2,842	69,151	69,250	4,560	2,781	3,493	76,151	76,250	5,211	3,341	4,144
62,251	62,350	3,919	2,229	2,851	69,251	69,350	4,570	2,789	3,502	76,251	76,350	5,221	3,349	4,153
62,351	62,450	3,928	2,237	2,860	69,351	69,450	4,579	2,797	3,511	76,351	76,450	5,230	3,357	4,162
62,451	62,550	3,937	2,245	2,869	69,451	69,550	4,588	2,805	3,520	76,451	76,550	5,239	3,365	4,171
62,551	62,650	3,947	2,253	2,879	69,551	69,650	4,598	2,813	3,530	76,551	76,650	5,249	3,373	4,181
62,651	62,750	3,956	2,261	2,888	69,651	69,750	4,607	2,821	3,539	76,651	76,750	5,258	3,383	4,190
62,751	62,850	3,965	2,269	2,897	69,751	69,850	4,616	2,829	3,548	76,751	76,850	5,267	3,392	4,199
62,851	62,950	3,975	2,277	2,907	69,851	69,950	4,626	2,837	3,558	76,851	76,950	5,277	3,401	4,209
62,951	63,050	3,984	2,285	2,916	69,951	70,050	4,635	2,845	3,567	76,951	77,050	5,286	3,411	4,218
63,051	63,150	3,993	2,293	2,925	70,051	70,150	4,644	2,853	3,576	77,051	77,150	5,295	3,420	4,227
63,151	63,250	4,002	2,301	2,935	70,151	70,250	4,653	2,861	3,586	77,151	77,250	5,304	3,429	4,237
63,251	63,350	4,012	2,309	2,944	70,251	70,350	4,663	2,869	3,595	77,251	77,350	5,314	3,439	4,246
63,351	63,450	4,021	2,317	2,953	70,351	70,450	4,672	2,877	3,604	77,351	77,450	5,323	3,448	4,255
63,451	63,550	4,030	2,325	2,962	70,451	70,550	4,681	2,885	3,613	77,451	77,550	5,332	3,457	4,264
63,551	63,650	4,040	2,333	2,972	70,551	70,650	4,691	2,893	3,623	77,551	77,650	5,342	3,466	4,274
63,651	63,750	4,049	2,341	2,981	70,651	70,750	4,700	2,901	3,632	77,651	77,750	5,351	3,476	4,283
63,751	63,850	4,058	2,349	2,990	70,751	70,850	4,709	2,909	3,641	77,751	77,850	5,360	3,485	4,292
63,851	63,950	4,068	2,357	3,000	70,851	70,950	4,719	2,917	3,651	77,851	77,950	5,370	3,494	4,302
63,951	64,050	4,077	2,365	3,009	70,951	71,050	4,728	2,925	3,660	77,951	78,050	5,379	3,504	4,311
64,051	64,150	4,086	2,373	3,018	71,051	71,150	4,737	2,933	3,669	78,051	78,150	5,388	3,513	4,320
64,151	64,250	4,095	2,381	3,028	71,151	71,250	4,746	2,941	3,679	78,151	78,250	5,397	3,522	4,330
64,251	64,350	4,105	2,389	3,037	71,251	71,350	4,756	2,949	3,688	78,251	78,350	5,407	3,532	4,339
64,351	64,450	4,114	2,397	3,046	71,351	71,450	4,765	2,957	3,697	78,351	78,450	5,416	3,541	4,348
64,451	64,550	4,123	2,405	3,055	71,451	71,550	4,774	2,965	3,706	78,451	78,550	5,425	3,550	4,357
64,551	64,650	4,133	2,413	3,065	71,551	71,650	4,784	2,973	3,716	78,551	78,650	5,435	3,559	4,367
64,651	64,750	4,142	2,421	3,074	71,651	71,750	4,793	2,981	3,725	78,651	78,750	5,444	3,569	4,376
64,751	64,850	4,151	2,429	3,083	71,751	71,850	4,802	2,989	3,734	78,751	78,850	5,453	3,578	4,385
64,851	64,950	4,161	2,437	3,093	71,851	71,950	4,812	2,997	3,744	78,851	78,950	5,463	3,587	4,395
64,951	65,050	4,170	2,445	3,102	71,951	72,050	4,821	3,005	3,753	78,951	79,050	5,472	3,597	4,404
65,051	65,150	4,179	2,453	3,111	72,051	72,150	4,830	3,013	3,762	79,051	79,150	5,481	3,606	4,413
65,151	65,250	4,188	2,461	3,121	72,151	72,250	4,839	3,021	3,772	79,151	79,250	5,490	3,615	4,423
65,251	65,350	4,198	2,469	3,130	72,251	72,350	4,849	3,029	3,781	79,251	79,350	5,500	3,625	4,432
65,351	65,450	4,207	2,477	3,139	72,351	72,450	4,858	3,037	3,790	79,351	79,450	5,509	3,634	4,441
65,451	65,550	4,216	2,485	3,148	72,451	72,550	4,867	3,045	3,799	79,451	79,550	5,518	3,643	4,450
65,551	65,650	4,226	2,493	3,158	72,551	72,650	4,877	3,053	3,809	79,551	79,650	5,528	3,652	4,460
65,651	65,750	4,235	2,501	3,167	72,651	72,750	4,886	3,061	3,818	79,651	79,750	5,537	3,662	4,469
65,751	65,850	4,244	2,509	3,176	72,751	72,850	4,895	3,069	3,827	79,751	79,850	5,546	3,671	4,478
65,851	65,950	4,254	2,517	3,186	72,851	72,950	4,905	3,077	3,837	79,851	79,950	5,556	3,680	4,488
65,951	66,050	4,263	2,525	3,195	72,951	73,050	4,914	3,085	3,846	79,951	80,050	5,565	3,690	4,497
66,051	66,150	4,272	2,533	3,204	73,051	73,150	4,923	3,093	3,855	80,051	80,150	5,574	3,699	4,506
66,151	66,250	4,281	2,541	3,214	73,151	73,250	4,932	3,101	3,865	80,151	80,250	5,583	3,708	4,516
66,251	66,350	4,291	2,549	3,223	73,251	73,350	4,942	3,109	3,874	80,251	80,350	5,593	3,718	4,525
66,351	66,450	4,300	2,557	3,232	73,351	73,450	4,951	3,117	3,883	80,351	80,450	5,602	3,727	4,534
66,451	66,550	4,309	2,565	3,241	73,451	73,550	4,960	3,125	3,892	80,451	80,550	5,611	3,736	4,543
66,551	66,650	4,319	2,573	3,251	73,551	73,650	4,970	3,133	3,902	80,551	80,650	5,621	3,745	4,553
66,651	66,750	4,328	2,581	3,260	73,651	73,750	4,979	3,141	3,911	80,651	80,750	5,630	3,755	4,562
66,751	66,850	4,337	2,589	3,269	73,751	73,850	4,988	3,149	3,920	80,751	80,850	5,639	3,764	4,571
66,851	66,950	4,347	2,597	3,279	73,851	73,950	4,998	3,157	3,930	80,851	80,950	5,649	3,773	4,581
66,951	67,050	4,356	2,605	3,288	73,951	74,050	5,007	3,165	3,939	80,951	81,050	5,658	3,783	4,590
67,051	67,150	4,365	2,613	3,297	74,051	74,150	5,016	3,173	3,948	81,051	81,150	5,667	3,792	4,599
67,151	67,250	4,374	2,621	3,307	74,151	74,250	5,025	3,181	3,958	81,151	81,250	5,676	3,801	4,609
67,251	67,350	4,384	2,629	3,316	74,251	74,350	5,035	3,189	3,967	81,251	81,350	5,686	3,811	4,618
67,351	67,450	4,393	2,637	3,325	74,351	74,450	5,044	3,197	3,976	81,351	81,450	5,695	3,820	4,627
67,451	67,550	4,402	2,645	3,334	74,451	74,550	5,053	3,205	3,985	81,451	81,550	5,704	3,829	4,636
67,551	67,650	4,412	2,653	3,344	74,551	74,650	5,063	3,213	3,995	81,551	81,650	5,714	3,838	4,646
67,651	67,750	4,421	2,661	3,353	74,651	74,750	5,072	3,221	4,004	81,651	81,750	5,723	3,848	4,655
67,751	67,850	4,430	2,669	3,362	74,751	74,850	5,081	3,229	4,013	81,751	81,850	5,732	3,857	4,664
67,851	67,950	4,440	2,677	3,372	74,851	74,950	5,091	3,237	4,023	81,851	81,950	5,742	3,866	4,674
67,951	68,050	4,449	2,685	3,381	74,951	75,050	5,100	3,245	4,032	81,951	82,050	5,751	3,876	4,683
68,051	68,150	4,458	2,693	3,390	75,051	75,150	5,109	3,253	4,041	82,051	82,150	5,760	3,885	4,692
68,151	68,250	4,467	2,701	3,400	75,151	75,250	5,118	3,261	4,051	82,151	82,250	5,769	3,894	4,702
68,251	68,350	4,477	2,709	3,409	75,251	75,350	5,128	3,269	4,060	82,251	82,350	5,779	3,904	4,711
68,351	68,450	4,486	2,717	3,418	75,351	75,450	5,137	3,277	4,069	82,351	82,450	5,788	3,913	4,720

Continued on next page.

# 2002 California Tax Table – Continued

Filing status: 1 or 3 (Single; Married Filing Separately) 2 or 5 (Married Filing Jointly; Qualifying Widow(er)) 4 (Head of Household)														
If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status			If Your Taxable Income Is ...		The Tax For Filing Status		
At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is	At Least	But Not Over	1 Or 3 Is	2 Or 5 Is	4 Is
82,451	82,550	5,797	3,922	4,729	88,451	88,550	6,355	4,480	5,287	94,451	94,550	6,913	5,038	5,845
82,551	82,650	5,807	3,931	4,739	88,551	88,650	6,365	4,489	5,297	94,551	94,650	6,923	5,047	5,855
82,651	82,750	5,816	3,941	4,748	88,651	88,750	6,374	4,499	5,306	94,651	94,750	6,932	5,057	5,864
82,751	82,850	5,825	3,950	4,757	88,751	88,850	6,383	4,508	5,315	94,751	94,850	6,941	5,066	5,873
82,851	82,950	5,835	3,959	4,767	88,851	88,950	6,393	4,517	5,325	94,851	94,950	6,951	5,075	5,883
82,951	83,050	5,844	3,969	4,776	88,951	89,050	6,402	4,527	5,334	94,951	95,050	6,960	5,085	5,892
83,051	83,150	5,853	3,978	4,785	89,051	89,150	6,411	4,536	5,343	95,051	95,150	6,969	5,094	5,901
83,151	83,250	5,862	3,987	4,795	89,151	89,250	6,420	4,545	5,353	95,151	95,250	6,978	5,103	5,911
83,251	83,350	5,872	3,997	4,804	89,251	89,350	6,430	4,555	5,362	95,251	95,350	6,988	5,113	5,920
83,351	83,450	5,881	4,006	4,813	89,351	89,450	6,439	4,564	5,371	95,351	95,450	6,997	5,122	5,929
83,451	83,550	5,890	4,015	4,822	89,451	89,550	6,448	4,573	5,380	95,451	95,550	7,006	5,131	5,938
83,551	83,650	5,900	4,024	4,832	89,551	89,650	6,458	4,582	5,390	95,551	95,650	7,016	5,140	5,948
83,651	83,750	5,909	4,034	4,841	89,651	89,750	6,467	4,592	5,399	95,651	95,750	7,025	5,150	5,957
83,751	83,850	5,918	4,043	4,850	89,751	89,850	6,476	4,601	5,408	95,751	95,850	7,034	5,159	5,966
83,851	83,950	5,928	4,052	4,860	89,851	89,950	6,486	4,610	5,418	95,851	95,950	7,044	5,168	5,976
83,951	84,050	5,937	4,062	4,869	89,951	90,050	6,495	4,620	5,427	95,951	96,050	7,053	5,178	5,985
84,051	84,150	5,946	4,071	4,878	90,051	90,150	6,504	4,629	5,436	96,051	96,150	7,062	5,187	5,994
84,151	84,250	5,955	4,080	4,888	90,151	90,250	6,513	4,638	5,446	96,151	96,250	7,071	5,196	6,004
84,251	84,350	5,965	4,090	4,897	90,251	90,350	6,523	4,648	5,455	96,251	96,350	7,081	5,206	6,013
84,351	84,450	5,974	4,099	4,906	90,351	90,450	6,532	4,657	5,464	96,351	96,450	7,090	5,215	6,022
84,451	84,550	5,983	4,108	4,915	90,451	90,550	6,541	4,666	5,473	96,451	96,550	7,099	5,224	6,031
84,551	84,650	5,993	4,117	4,925	90,551	90,650	6,551	4,675	5,483	96,551	96,650	7,109	5,233	6,041
84,651	84,750	6,002	4,127	4,934	90,651	90,750	6,560	4,685	5,492	96,651	96,750	7,118	5,243	6,050
84,751	84,850	6,011	4,136	4,943	90,751	90,850	6,569	4,694	5,501	96,751	96,850	7,127	5,252	6,059
84,851	84,950	6,021	4,145	4,953	90,851	90,950	6,579	4,703	5,511	96,851	96,950	7,137	5,261	6,069
84,951	85,050	6,030	4,155	4,962	90,951	91,050	6,588	4,713	5,520	96,951	97,050	7,146	5,271	6,078
85,051	85,150	6,039	4,164	4,971	91,051	91,150	6,597	4,722	5,529	97,051	97,150	7,155	5,280	6,087
85,151	85,250	6,048	4,173	4,981	91,151	91,250	6,606	4,731	5,539	97,151	97,250	7,164	5,289	6,097
85,251	85,350	6,058	4,183	4,990	91,251	91,350	6,616	4,741	5,548	97,251	97,350	7,174	5,299	6,106
85,351	85,450	6,067	4,192	4,999	91,351	91,450	6,625	4,750	5,557	97,351	97,450	7,183	5,308	6,115
85,451	85,550	6,076	4,201	5,008	91,451	91,550	6,634	4,759	5,566	97,451	97,550	7,192	5,317	6,124
85,551	85,650	6,086	4,210	5,018	91,551	91,650	6,644	4,768	5,576	97,551	97,650	7,202	5,326	6,134
85,651	85,750	6,095	4,220	5,027	91,651	91,750	6,653	4,778	5,585	97,651	97,750	7,211	5,336	6,143
85,751	85,850	6,104	4,229	5,036	91,751	91,850	6,662	4,787	5,594	97,751	97,850	7,220	5,345	6,152
85,851	85,950	6,114	4,238	5,046	91,851	91,950	6,672	4,796	5,604	97,851	97,950	7,230	5,354	6,162
85,951	86,050	6,123	4,248	5,055	91,951	92,050	6,681	4,806	5,613	97,951	98,050	7,239	5,364	6,171
86,051	86,150	6,132	4,257	5,064	92,051	92,150	6,690	4,815	5,622	98,051	98,150	7,248	5,373	6,180
86,151	86,250	6,141	4,266	5,074	92,151	92,250	6,699	4,824	5,632	98,151	98,250	7,257	5,382	6,190
86,251	86,350	6,151	4,276	5,083	92,251	92,350	6,709	4,834	5,641	98,251	98,350	7,267	5,392	6,199
86,351	86,450	6,160	4,285	5,092	92,351	92,450	6,718	4,843	5,650	98,351	98,450	7,276	5,401	6,208
86,451	86,550	6,169	4,294	5,101	92,451	92,550	6,727	4,852	5,659	98,451	98,550	7,285	5,410	6,217
86,551	86,650	6,179	4,303	5,111	92,551	92,650	6,737	4,861	5,669	98,551	98,650	7,295	5,419	6,227
86,651	86,750	6,188	4,313	5,120	92,651	92,750	6,746	4,871	5,678	98,651	98,750	7,304	5,429	6,236
86,751	86,850	6,197	4,322	5,129	92,751	92,850	6,755	4,880	5,687	98,751	98,850	7,313	5,438	6,245
86,851	86,950	6,207	4,331	5,139	92,851	92,950	6,765	4,889	5,697	98,851	98,950	7,323	5,447	6,255
86,951	87,050	6,216	4,341	5,148	92,951	93,050	6,774	4,899	5,706	98,951	99,050	7,332	5,457	6,264
87,051	87,150	6,225	4,350	5,157	93,051	93,150	6,783	4,908	5,715	99,051	99,150	7,341	5,466	6,273
87,151	87,250	6,234	4,359	5,167	93,151	93,250	6,792	4,917	5,725	99,151	99,250	7,350	5,475	6,283
87,251	87,350	6,244	4,369	5,176	93,251	93,350	6,802	4,927	5,734	99,251	99,350	7,360	5,485	6,292
87,351	87,450	6,253	4,378	5,185	93,351	93,450	6,811	4,936	5,743	99,351	99,450	7,369	5,494	6,301
87,451	87,550	6,262	4,387	5,194	93,451	93,550	6,820	4,945	5,752	99,451	99,550	7,378	5,503	6,310
87,551	87,650	6,272	4,396	5,204	93,551	93,650	6,830	4,954	5,762	99,551	99,650	7,388	5,512	6,320
87,651	87,750	6,281	4,406	5,213	93,651	93,750	6,839	4,964	5,771	99,651	99,750	7,397	5,522	6,329
87,751	87,850	6,290	4,415	5,222	93,751	93,850	6,848	4,973	5,780	99,751	99,850	7,406	5,531	6,338
87,851	87,950	6,300	4,424	5,232	93,851	93,950	6,858	4,982	5,790	99,851	99,950	7,416	5,540	6,348
87,951	88,050	6,309	4,434	5,241	93,951	94,050	6,867	4,992	5,799	99,951	100,000	7,422	5,547	6,355
88,051	88,150	6,318	4,443	5,250	94,051	94,150	6,876	5,001	5,808	OVER \$100,000 YOU MUST USE THE TAX RATE SCHEDULES on page 56.				
88,151	88,250	6,327	4,452	5,260	94,151	94,250	6,885	5,010	5,818					
88,251	88,350	6,337	4,462	5,269	94,251	94,350	6,895	5,020	5,827					
88,351	88,450	6,346	4,471	5,278	94,351	94,450	6,904	5,029	5,836					

# 2002 California Tax Rate Schedules

**Caution:** Use only if your taxable income on Long Form 540NR, line 19 is more than \$100,000. If \$100,000 or less, use the Tax Table. If you are filing the Short Form 540NR, you must use the Tax Tables.

## Schedule X –

Use if your filing status is  
**Single or Married Filing Separately**

If the amount on Long Form 540NR, line 19 is:		Enter on Long Form 540NR, line 20		of the
over –	But not over –			amount over –
\$ 0	\$ 5,834	\$ 0.00	+ 1.0%	\$ 0.00
5,834	13,829	58.34	+ 2.0%	5,834
13,829	21,826	218.24	+ 4.0%	13,829
21,826	30,298	538.12	+ 6.0%	21,826
30,298	38,291	1046.44	+ 8.0%	30,298
38,291	AND OVER	1685.88	+ 9.3%	38,291

## Schedule Y –

Use if your filing status is  
**Married Filing Jointly or Qualifying  
Widow(er) with Dependent Child**

If the amount on Long Form 540NR, line 19 is:		Enter on Long Form 540NR, line 20		of the
over –	But not over –			amount over –
\$ 0	\$ 11,668	\$ 0.00	+ 1.0%	\$ 0.00
11,668	27,658	116.68	+ 2.0%	11,668
27,658	43,652	436.48	+ 4.0%	27,658
43,652	60,596	1076.24	+ 6.0%	43,652
60,596	76,582	2092.88	+ 8.0%	60,596
76,582	AND OVER	3371.76	+ 9.3%	76,582

## Schedule Z –

Use if your filing status is  
**Head of Household**

If the amount on Long Form 540NR, line 19 is:		Enter on Long Form 540NR, line 20		of the
over –	But not over –			amount over –
\$ 0	\$ 11,673	\$ 0.00	+ 1.0%	\$ 0.00
11,673	27,659	116.73	+ 2.0%	11,673
27,659	35,653	436.45	+ 4.0%	27,659
35,653	44,125	756.21	+ 6.0%	35,653
44,125	52,120	1264.53	+ 8.0%	44,125
52,120	AND OVER	1904.13	+ 9.3%	52,120

## How to Figure Tax Using the 2002 California Tax Rate Schedules

**Example:** John and Jackie Anderson are filing a joint return. Their taxable income on Long Form 540NR, line 19 is \$125,000.

**Step 1:** Using Schedule Y, they find the taxable income range that includes their taxable income of \$125,000. See the boxed range in the sample below.

## Schedule Y –

Use if your filing status is  
**Married Filing Jointly or Qualifying  
Widow(er) with Dependent Child**

If the amount on Long Form 540NR, line 19 is:		Enter on Long Form 540NR, line 20		of the
over –	But not over –			amount over –
\$ 0	\$ 11,668	\$ 0.00	+ 1.0%	\$ 0.00
11,668	27,658	116.68	+ 2.0%	11,668
27,658	43,652	436.48	+ 4.0%	27,658
43,652	60,596	1076.24	+ 6.0%	43,652
60,596	76,582	2092.88	+ 8.0%	60,596
76,582	AND OVER	3371.76	+ 9.3%	76,582

**Step 2:** They subtract the amount at the beginning of their range from their taxable income.

**Example**  
\$125,000  
- 76,582  
\$ 48,418

**Your Income**  
\$  
-  
\$

**Step 3:** They multiply the result from Step 2 by the percentage for their range.

\$48,418  
x .093  
\$4,502.87

\$  
x  
\$

**Step 4:** They round the amount from Step 3 to two decimals (if necessary) and add it to the tax amount for their income range. After rounding the result, they will enter \$7,875 on Long Form 540NR, line 20. For information on rounding, see page 5.

\$3,371.76  
+ 4,502.87  
\$7,874.63

\$  
+  
\$

# Additional Information

## California Sales And Use Tax

In general, the purchase of goods outside California that are brought into the state for storage, use, or other consumption may be subject to use tax. The use tax rate is the same as the sales tax rate in effect where the goods will be stored, used or consumed; usually your residence address. The tax is based on the purchase price of the goods.

- **If you purchased goods from an out-of-state retailer** (such as a mail order firm) and sales tax would have been charged if you purchased the goods in California, you may owe the use tax on your purchase if the out-of-state retailer did not collect the California tax.
- **If you traveled to a foreign country and brought goods home with you**, the use tax will be based on the purchase price of the goods you listed on your U.S. Customs Declaration after deduction of the \$400 per individual exemption allowable by law within any 30-day period. This deduction does not apply to goods sent or shipped to California by common carrier.

Your tax liability may be calculated by multiplying the sales tax rate at your residence times the cost of the goods purchased. Send your payment to the **STATE BOARD OF EQUALIZATION, PO BOX 942879, SACRAMENTO CA 94279-0001**, with a brief statement listing your name, address, daytime telephone number, cost and description of the goods purchased. Board of Equalization Pamphlet 79-B contains additional information and a form you may use to report the tax. An electronic version of this pamphlet may be found in the Board of Equalization's internet Website at [www.boe.ca.gov/pdf/pub79b.pdf](http://www.boe.ca.gov/pdf/pub79b.pdf).

If you file a Schedule C (Form 1040), Profit or Loss From Business, with your federal income tax return and are in the business of selling tangible personal property, you may be required to obtain a seller's permit with the State Board of Equalization.

If you have any questions concerning the taxability of a purchase, or want information about obtaining a seller's permit, please contact the State Board of Equalization's toll-free number at (800) 400-7115, to talk to a Customer Service Representative. Representatives are available from 8 a.m. to 5 p.m., Monday - Friday, excluding state holidays.

## Collection Fees

The FTB is required to assess collection and filing enforcement cost recovery fees on delinquent accounts.

## Deceased Taxpayers

A final return must be filed for a person who died in 2002 if a return normally would be required. The administrator or executor, if one is appointed, or beneficiary must file the return. Please print "deceased" and the date of death next to the taxpayer's name at the top of the return.

If you are a surviving spouse and no administrator or executor has been appointed, you may file a joint return if you did not remarry during 2002. Indicate next to your signature that you are the surviving spouse.

You may also file a joint return with an administrator or executor acting on behalf of the deceased taxpayer.

If you file a return and claim a refund due to a deceased taxpayer, you are certifying under penalty of perjury either that you are the legal representative of the deceased taxpayer's estate (in this case, you must attach certified copies of the letters of administration or letters testamentary) or that you are entitled to the refund as the deceased's surviving relative or sole beneficiary under the provisions of the California Probate Code. You must also attach a copy of federal Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or a copy of the death certificate when you file a return and claim a refund due.

## Homeowner and Renter Assistance

**Homeowner assistance** is a once-a-year payment from the State of California based on part of the property taxes assessed and paid on your home. If eligible, you could receive up to 96% of the property taxes you paid in the prior year. In 2002, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2001: 62 years of age\* or older, blind, or disabled; and

- Owned your home and lived in it on December 31, 2001, had total household income of \$37,119 or less, and are a U.S. citizen, designated alien, or qualified alien, when you file your claim.

\*If your 62nd birthday is on January 1, 2002, you are considered to be age 62 on December 31, 2001.

**Renter assistance** is a once-a-year payment from the State of California based on part of the property taxes that you pay indirectly when you pay your rent. In 2002, you would have qualified for this assistance if you:

- Were one of the following on December 31, 2001: 62 years of age\* or older, blind, or disabled; and
- Paid \$50 or more rent per month in the prior year, had total household income of \$37,119 or less, and are a U.S. citizen, designated alien, or qualified alien when you file your claim.

\*If your 62nd birthday is on January 1, 2002, you are considered to be age 62 on December 31, 2001.

The 2003 filing season for these programs begins June 30, 2003. For more information, call (800) 852-5711.

## Innocent Spouse Relief

You may qualify for relief from liability for tax on a joint return if (1) there is an understatement of tax because your spouse omitted income or claimed false deductions or credits, (2) you are divorced, separated, or no longer living with your spouse, or (3) given all the facts and circumstances, it would be unfair to hold you liable for the tax. Get FTB Pub. 705, "Innocent Spouse - Are You Eligible?" for more information.

## Military Personnel

If you are a member of the military and need additional information on how to file your return, get FTB Pub 1032, Tax Information for Military Personnel, and FTB Pub 1021, Tax Information for Military Personnel - Extensions and Income Exclusions. See "Order Forms and Publications" on page 60.

## Requesting a Copy of Your Tax Return

The FTB keeps personal income tax returns for three and one-half years from the original due date. If you need to get a copy of a return from those years, you must request it by writing a letter or by completing form FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return. In most cases, there is a \$10 fee for each tax year you request. However, there is no charge if: you are requesting a return and any audit reports attached in connection with an audit or collection activity; you were the victim of a designated California or federal disaster; or you request copies from a field office that assisted you in completing your return. See "Order Forms and Publications" on page 60.

## Vehicle License Fees for Federal Schedule A

On your federal Schedule A, you may deduct the California motor vehicle license fee listed on your Vehicle Registration Billing Notice from the Department of Motor Vehicles. The other fees listed on your billing notice such as registration fee, weight fee, and county fees are not deductible.

## Voting Is Everybody's Business

You may register to vote if you meet these requirements:

- You are a United States citizen;
- You are a resident of California;
- You will be 18 years old by the date of the next election; and
- You are not in prison or on parole for the conviction of a felony.

You need to re-register every time you move, change your name, or wish to change political parties. In order to vote in an election, you must be registered to vote at least 15 days before that election. To obtain a Voter Registration Card, call the California Secretary of State's office toll-free voter hotline at (800) 345-VOTE or visit their Website at [www.ss.ca.gov](http://www.ss.ca.gov)

**It's Your Right . . . Register and Vote**



# How To Get California Tax Information

(Keep This Booklet For Future Use)

## Where To Get Income Tax Forms and Publications

**By Internet** – You can download, view, and print California income tax forms and publications from our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) or you may have these forms and publications mailed to you. Many of our most frequently used forms may be filed electronically, printed out for submission, and saved for record keeping.

**By phone** – To order 2000 – 2002 California tax forms and publications and 2002 federal booklets:

- Refer to the list on page 60 and find the code number for the form you want to order.
- Call (800) 338-0505.
- Select “Personal Income Tax.”
- Select “To Order Forms and Publications.”
- Enter the three-digit form code when you are instructed.

Please allow two weeks to receive your order. If you live outside California, please allow three weeks to receive your order.

**In person** – Many post offices and banks provide free California tax booklets during the filing season. Most libraries and some quick print businesses have forms and schedules for you to photocopy (a nominal fee may apply). **Note:** Employees at libraries, post offices, banks, and quick print businesses cannot provide tax information or assistance.

**By mail** – Write to: TAX FORMS REQUEST UNIT, FRANCHISE TAX BOARD, PO BOX 307, RANCHO CORDOVA CA 95741-0307.

## Letters

If you write to us, be sure your letter includes your social security number, and your daytime and evening telephone numbers. Send your letter to:

FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

We will respond to your letter within six weeks. In some cases, we may call you to respond to your inquiry, or ask you for additional information. Do not attach correspondence to your tax return unless the correspondence relates to an item on the return.

## General Toll-Free Phone Service

**Our general toll-free service is available:**

- Monday – Friday, 7 a.m. until 8 p.m.
- Saturdays, 8 a.m. until 5 p.m. (January through June only)

We may modify these hours without notice to meet operational needs.

From within the United States ..... (800) 852-5711  
From outside the United States (not toll-free) ..... (916) 845-6500  
For federal tax questions, call the IRS at ..... (800) 829-1040

### Assistance for persons with disabilities

We comply with the Americans with Disabilities Act. Persons with a hearing or speech impairment please call:

TTY/TDD ..... (800) 822-6268

**Large-print forms and instructions** – The Resident Booklet is available in large print upon request and is also available on cassette tape. See “Where To Get Income Tax Forms and Publications” on this page.

### Asistencia bilingüe en español

Nuestro servicio telefónico gratuito esta disponible de Lunes a Viernes de 7 a.m. a 8 p.m. y los sábados de 8 a.m. a 5 p.m. *de Enero a Junio*. Podemos modificar este horario sin aviso previo de acuerdo a la demanda operativa.

Dentro de los Estados Unidos llame al ..... (800) 852-5711  
(libre de cargos)  
Fuera de los Estados Unidos llame al ..... (916) 845-6500  
(cargos aplican)

**Pagina Electrónica:**  
[www.ftb.ca.gov](http://www.ftb.ca.gov)

**Asistencia para personas discapacitadas:** Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla, pueden llamar al (800) 822-6268 con un aparato de telecomunicación TTY/TTD.

## Your Rights As A Taxpayer

Our goal at the FTB is to make certain that your rights are protected so that you will have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB Pub. 4058, California Taxpayers’ Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers’ Rights Advocate Program, and how you can request written advice from the FTB on whether a particular transaction is taxable. See “Where To Get Income Tax Forms and Publications,” on this page.

## Privacy Act Notice

The Franchise Tax Board considers the privacy of your tax information to be of the utmost importance.

### Your Rights:

You have a right to see our records that contain your personal information, and we must tell you why we ask for your tax information and to whom we may provide that information. You also have the right to question the correctness of the information that is contained within your file.

### Your Responsibility:

If you meet certain income requirements, the California Revenue & Taxation Code requires you to file a return on the forms we prescribe (see Sections 18501 and 18621). When you file these forms and related documents, you must include your social security number for identification and return processing (Section 18624).

### Reasons for Information Requests:

We ask for return information so that we can administer the tax law fairly and correctly. We may request additional information to resolve audit or collection issues. It is mandatory that you furnish all requested information.

If you do not file a return, do not provide the information we ask for, or if you provide fraudulent information, you may be charged penalties and interest, and, in certain cases, you may be criminally prosecuted. Additionally, we may disallow your claimed exemptions, exclusions, credits, deductions, or adjustments. This could increase your tax liability, or delay or reduce any refund.

### Information Disclosure:

We may give your tax information to the Internal Revenue Service, to income tax officials of other states, to the Multistate Tax Commission, and to certain California government agencies and officials, as provided by law. Also, as provided by law, we may give your tax information to other persons as necessary to determine your tax liability or to collect the amount of tax you owe. If you owe the Franchise Tax Board money, the amount due may be disclosed to employers, financial institutions, county recorders, vacation trust funds, process agents, or others who hold assets belonging to you.

### Responsibility for the Records:

The Director of the Enterprise Data Management Bureau is responsible for maintaining the records of the Franchise Tax Board. To obtain information about your records, 1) write to: Disclosure Officer, Franchise Tax Board, PO Box 1468 Mailstop B-1, Sacramento CA 95812-1468, or 2) call: (800) 852-5711 within the United States, or (916) 845-6500 outside of the United States.

# Paying Your Taxes

## General Information

You must pay 100% of the amount you owe by April 15, 2003, to avoid interest and penalties. There are several ways to pay your tax:

- Electronic funds withdrawal
- Credit card
- Check or money order
- Pre-approved monthly installments

## Electronic Funds Withdrawal

Use this convenient option if you e-file. Simply provide your bank information, amount you want to pay, and the date you want the balance due to be withdrawn from your account. Your tax preparation software will offer this option.

## Credit Card



Use your Discover/NOVUS, MasterCard, Visa, or American Express card to pay your personal income taxes (balance due, extension payment, estimated taxes, or amounts owed for prior years). There is a convenience fee for this service. This fee is paid directly to Official Payments Corp. based on the amount of your tax payment.

**Fee:** 2.5% of tax amount charged (*round to nearest cent*)  
Minimum fee: \$1

**Example:** Tax Payment = \$753.56  
2.5% Fee = \$18.84

**When will my payment be effective?** Your payment is effective on the date you charge it.

**What if I change my mind?** If you pay your tax liability by credit card and later reverse the credit card transaction, you may be subject to penalties, interest, and other fees imposed by the Franchise Tax Board for nonpayment or late payment of your tax liability.

**How do I use my credit card to pay my income tax bill?** Once you have determined how much you owe:

- Have your Discover/NOVUS, MasterCard, Visa, or American Express card ready
- Complete the worksheet below

**Go to the Official Payments Corp. Website or use the toll-free number:**

- [www.officialpayments.com](http://www.officialpayments.com) Select Payment Center.
- **(800) 2PAY-TAX or (800) 272-9829** Follow the recorded instructions.

Official Payments Corp. will tell you the convenience fee before you complete your transaction. You can decide whether to complete the transaction at that time.

**Assistance for persons with disabilities.** If you have a hearing or speech impairment, call TTY/TDD at (800) 735-2929 (California Relay Service). For all other special assistance, call (800) 487-4567 and select "0," for customer assistance, Monday through Friday, 9 a.m. to 5 p.m.

1. Jurisdiction Code	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/>	2. Amount you are paying: \$	<input type="text"/>
3. Your SSN:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Spouse's SSN:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
First 4 letters of last name:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	First 4 letters of spouse's last name:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
4. Tax year:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	5. Home phone:	( <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> ) <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
6. Credit card no.:	<input type="text"/>		
7. Expiration date:	<input type="text" value="M"/> <input type="text" value="M"/> <input type="text" value="Y"/> <input type="text" value="Y"/> <input type="text" value="Y"/> <input type="text" value="Y"/>		
8. ZIP Code for address where your monthly credit card bill is sent:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

At the end of your call, you will be given a payment confirmation number. You may make multiple credit card payments throughout the year. Record the payment confirmation number below and save this page for your records.

Date:  Confirmation No.



# Automated Toll-Free Phone Service

(Keep This Booklet For Future Use)

Our automated toll-free phone service is available 24 hours a day, 7 days a week, in English and Spanish to callers with touch-tone telephones. You can:

- Order California and federal tax forms and publications;
  - Get current year tax refund information;
  - Get balance due and payment information; and
  - Hear recorded answers to many of your questions about California taxes.
- Have paper and pencil ready to take notes.

Call from within the

United States . . . . . (800) 338-0505

Call from outside the

United States . . . . . (916) 845-6500  
(not toll-free)

## Order Forms and Publications

If your current address is on file, you can order California tax forms for the current and previous two years. You can also order current year federal tax booklets. See the following list of forms and follow the instructions for ordering forms on the previous page.

### Code California Tax Forms and Publications

- 900 California Resident Income Tax Booklet: Form 540, Resident Income Tax Return Form 540A, Resident Income Tax Return
- 965 Form 540 2EZ Tax Booklet
- 903 Schedule CA (540), California Adjustments: FTB 3885A, Depreciation & Amortization Adjustments Schedule D, California Capital Gain or Loss Adjustment
- 969 Large Print Resident Booklet
- 970 Resident Booklet on Cassette
- 907 540-ES, Estimated Tax for Individuals
- 908 540X, Amended Individual Income Tax Return
- 909 Schedule D-1, Sales of Business Property
- 910 Schedule G-1, Tax on Lump-Sum Distribution
- 911 Schedule P (540), Alternative Minimum Tax and Credit Limitations – Residents
- 913 Schedule S, Other State Tax Credit
- 914 California Nonresident Income Tax Booklet: Long and Short Form 540NR, Nonresident or Part-Year Resident Income Tax Return
- 917 Schedule CA (540NR), California Adjustments — Nonresidents or Part-Year Residents
- 918 Schedule P (540NR), Alternative Minimum Tax and Credit Limitations – Nonresident or Part-Year Residents
- 933 FTB 3504, Long-Term Care Credit
- 932 FTB 3506, Child and Dependent Care Expenses Credit
- 937 FTB 3516, Request for Copy of Personal Income Tax or Fiduciary Return
- 921 FTB 3519, Payment Voucher for Automatic Extension for Individuals

- 972 FTB 3520, Power of Attorney form and FTB Pub. 1144, Power of Attorney Frequently Asked Questions
- 922 FTB 3525, Substitute for W-2 Wage and Tax Statement
- 923 FTB 3526, Investment Interest Expense Deduction
- 931 FTB 3534, Joint Strike Fighter Credit
- 940 FTB 3540, Credit Carryover Summary
- 949 FTB 3567, Installment Agreement Request
- 924 FTB 3800, Tax Computation for Children with Investment Income
- 929 FTB 3801, Passive Activity Loss Limitations
- 930 FTB 3803, Parents' Election to Report Child's Interest and Dividends
- 935 FTB 3805D, Net Operating Loss (NOL) Computation and Limitations – Pierce's disease
- 925 FTB 3805E, Installment Sale Income
- 928 FTB 3805P, Additional Taxes from Qualified Retirement Plans
- 926 FTB 3805V, Net Operating Loss (NOL) — Individuals
- 901 FTB 3805Z, Enterprise Zone Businesses
- 927 FTB 5805, Underpayment of Estimated Tax
- 919 FTB Pub. 1001, Supplemental Guidelines to California Adjustments
- 920 FTB Pub. 1005, Pension and Annuity Guidelines
- 945 FTB Pub. 1006, California Tax Forms and Related Federal Forms
- 946 FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities
- 943 FTB Pub. 4058, California Taxpayers' Bill of Rights
- 941 FTB Pub. 1031, Guidelines for Determining Resident Status
- 942 FTB Pub. 1032, Tax Information for Military Personnel
- 951 FTB Pub. 1051A, Guidelines for Married Filing Separate Returns
- 934 FTB Pub. 1540, California Head of Household Filing Status Information

### Code Federal Tax Forms

- 902 1040 Booklet (with Schedules A, B, D, & E; Forms 1040V, EIC, and 2441)
- 904 1040A Booklet (with Schedule 1; Form EIC)
- 915 1040EZ Booklet

## Current Year Refund Information

If you file by mail, you should wait at least 8 weeks after you file your tax return before you call to find out about your refund. You will need your social security number, the numbers in your street address, box number, or route number, and your ZIP Code to use this service.

## Balance Due And Payment Information

You should wait at least 45 days from the date you mailed your payment before you call to verify receipt of your payment. You will need your social security number, the numbers in your street address, box number, or route number, and your ZIP Code to use this service.

## Answers To Tax Questions

Call our automated phone service, select personal income tax information, then general tax information, and enter the 3-digit question code.

### Code Filing Assistance:

- 100 Do I need to file a return?
- 111 Which form should I use?
- 112 How do I file electronically and get a fast refund?
- 113 What is the Teacher Retention Credit?
- 201 How can I get an extension to file?
- 203 What is the nonrefundable renter's credit and how do I qualify?
- 204 I never received a Form W-2. What do I do?
- 205 I have no withholding taken out. What do I do?
- 206 Do I have to attach a copy of my federal return?
- 209 I lived in California for part of the year. Do I have to file a return?
- 210 I did not live in California. Do I have to file a return?
- 212 How do I claim my disaster related loss?
- 215 Who qualifies me to use the head of household filing status?
- 222 How much can I deduct for vehicle license fees?

### Penalties

- 403 What is the estimate penalty rate?

### Notices And Bills

- 503 How do I file a protest against a Notice of Proposed Assessment?
- 506 How can I get information about my Form 1099-G?

### Tax For Children

- 601 Can my child take a personal exemption credit when I claim her or him as a dependent on my return?

### Miscellaneous

- 611 What address do I send my payment to?
- 619 How do I report a change of address?



Recycled  
Recyclable